

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION
Western Area Colorado Missouri Balancing Authority**

SCHEDULING, SYSTEM CONTROL, AND DISPATCH SERVICE

Applicable

Scheduling, System Control, and Dispatch Service is required to schedule the movement of power into, out of, inside, or through the Western Area Colorado Missouri Balancing Authority (WACM). This service must be purchased from the WACM operator. The rate will be applied to all schedules, except those for the delivery of transmission losses to WACM.

Unless other arrangements are made with Western, the rate will be divided equally among the transmission providers displayed in the schedule that are inside WACM. The charges applicable to non-Federal transmission will be assessed to those transmission providers. The charges applicable to Federal transmission will be included in the Federal transmission service rates.

WACM will accept any number of scheduling changes over the course of the day without any additional charge.

Effective

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

**Rate Schedule L-AS1
SCHEDULE 1 to Tariff
October 1, 2011**

Formula Rate

$$\begin{array}{l} \text{Rate} \\ \text{per} \\ \text{Schedule} \end{array} = \frac{\text{Annual Cost of Scheduling Personnel and Related Costs}}{\text{Number of Schedules per Year, excluding schedules for Delivery of Losses to WACM}}$$

Rate

The rate to be in effect October 1, 2011, through September 30, 2012, is \$24.22 per schedule per day. A revised rate will go into effect October 1 of each year of the effective rate period based on the formula above and updated financial and schedule data. Western will notify the Customer annually of the revised rate before October 1.

Any change to the rate for Scheduling, System Control, and Dispatch Service will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION
Western Area Colorado Missouri Balancing Authority**

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

Applicable

To maintain transmission voltages on all transmission facilities within acceptable limits, generation facilities under the control of the Western Area Colorado Missouri Balancing Authority (WACM) are operated to produce or absorb reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service (VAR Support Service) is provided for each transaction on the transmission facilities. The amount of VAR Support Service supplied to the Customer's (Federal Transmission Customers and customers on others' transmission systems inside WACM) transactions will be based on the VAR Support Service necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by WACM. The Customer must purchase this service from the WACM operator.

Customers with generators providing WACM with VAR Support Service may be excluded from the application of this rate. Any such exclusion must be documented in the Customer's service agreement.

**Rate Schedule L-AS2
SCHEDULE 2 to Tariff
October 1, 2011**

Effective

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

Formula Rate

Total Annual Revenue Requirement for Generation = TARRG
Percentage of Resource Capacity Used for VAR Support Service = % of Resource

$$\begin{array}{l} \text{VAR} \\ \text{Support} \\ \text{Rate} \end{array} = \frac{\text{TARRG} \times \% \text{ of Resource}}{\text{Load in WACM Requiring VAR Support Service}}$$

Rate

The rate to be in effect October 1, 2011, through September 30, 2012, is:

Monthly: \$0.305/kW-month
Weekly: \$0.070/kW-week
Daily: \$0.010/kW-day
Hourly: \$0.000418/kWh

A revised rate will go into effect October 1 of each year of the effective rate period based on the formula above and updated financial and load data. Western will notify the Customer annually of the revised rate before October 1.

Any change to the rate for VAR Support Service will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

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Western Area Colorado Missouri Balancing Authority**

REGULATION AND FREQUENCY RESPONSE SERVICE

Applicable

Regulation and Frequency Response Service (Regulation Service) is necessary to provide for the continuous balancing of resources with obligations, and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation Service is accomplished by committing on-line generation whose output is raised or lowered as necessary, predominantly through the use of automatic generation control (AGC) equipment, to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Western Area Colorado Missouri Balancing Authority (WACM) operator. Customers (Federal Transmission Customers and customers on others' transmission systems inside WACM) must purchase this service from WACM or make alternative comparable arrangements to satisfy their Regulation Service obligations.

Types

There are two different applications of this Formula Rate:

1. Load-based Assessment: The rate for the load-based assessment is reflected in the Formula Rate section and is applied to entities that take Regulation Service from WACM. This load-based rate is assessed on an entity's auxiliary load (total metered load

**Rate Schedule L-AS3
SCHEDULE 3 to Tariff
October 1, 2011**

less Federal entitlements) and is also applied to the installed nameplate capacity of all intermittent generators serving load inside WACM.

2. Self-provision Assessment: Western allows entities with AGC to self-provide for all or a portion of their loads. Entities with AGC are known as Sub-Balancing Authorities (SBA) and must meet all of the following criteria:
 - a. Have a well-defined boundary, with WACM-approved revenue-quality metering, accurate as defined by the North American Electric Reliability Corporation (NERC), to include MW flow data availability at 6-second or smaller intervals;
 - b. Have AGC capability;
 - c. Demonstrate Regulation Service capability; and
 - d. Execute a contract with WACM:
 - i. Provide all requested data to WACM.
 - ii. Meet SBA error criteria as described under section 2.1 below.

Self-provision is measured by use of the entity's 1-minute average Area Control Error (ACE) to determine the amount of self-provision. The ACE is used to calculate the Regulation Service charges every hour as follows:

- a. If the entity's 1-minute average ACE for the hour is less than or equal to 0.5 percent of its hourly average load, no Regulation Service charge is assessed by WACM for that hour.
- b. If the entity's 1-minute average ACE for the hour is greater than or equal to 1.5 percent of its hourly average load, WACM assesses Regulation Service

**Rate Schedule L-AS3
SCHEDULE 3 to Tariff
October 1, 2011**

charges to the entity's entire auxiliary load, using the hourly Load-based Assessment applied to the entity's auxiliary 12-cp load for that month.

- c. If the entity's 1-minute average ACE for the hour is greater than 0.5 percent of its hourly average load, but less than 1.5 percent of its hourly average load, WACM assesses Regulation Service charges based on linear interpolation of zero charge and full charge, using the hourly Load-based Assessment applied to the entity's auxiliary 12-cp load for that month.
- d. Western monitors the entity's Self-provision on a regular basis. If Western determines that the entity has not been attempting to self-regulate, WACM will, upon notification, employ the Load-based Assessment described in No. 1, above.

Alternative Arrangements

Exporting Intermittent Resource Requirement: An entity that exports the output from an intermittent generator to another balancing authority will be required to dynamically meter or dynamically schedule that resource out of WACM to another balancing authority unless arrangements, satisfactory to Western, are made for that entity to acquire this service from a third party or self-supply (as outlined below). An intermittent generator is one that is volatile and variable due to factors beyond direct operational control and, therefore, is not dispatchable.

Self- or Third-party supply: Western may allow an entity to supply some or all of its required regulation, or contract with a third party to do so, even without well-defined boundary metering. This entity must have revenue quality metering at every load and generation point, accurate as defined by NERC, to include MW flow data availability at 6-second or smaller intervals. Western will evaluate the entity's metering, telecommunications and regulating

**Rate Schedule L-AS3
SCHEDULE 3 to Tariff
October 1, 2011**

resource, as well as the required level of regulation, and determine whether the entity qualifies to self-supply under this provision. If approved, the entity is required to enter into a separate agreement with Western which will specify the terms of the self-supply application.

Customer Accommodation

For entities unwilling to take Regulation Service, self-provide it as described above, or acquire the service from a third party, Western will assist the entity in dynamically metering its loads/resources to another balancing authority. Until such time as that meter configuration is accomplished, the entity will be responsible for charges assessed by WACM under the rate in effect.

Effective

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

Formula Rate

$$\begin{array}{l} \text{Regulation} \\ \text{Service} \\ \text{Rate} \end{array} = \frac{\text{Total Annual Revenue Requirement for Regulation Service}}{\begin{array}{l} \text{Load inside WACM Requiring Regulation Service} \\ \text{Plus the Installed Nameplate Capacity of Intermittent Generators} \\ \text{Serving Load Inside WACM} \end{array}}$$

**Rate Schedule L-AS3
SCHEDULE 3 to Tariff
October 1, 2011**

Rate

The rate to be in effect October 1, 2011, through September 30, 2012, for Nos. 1 and 2, as described above in the “Types” section of this rate schedule, is:

Monthly:	\$0.331 /kW-month
Weekly:	\$0.076/kW-week
Daily:	\$0.011/kW-day
Hourly:	\$0.000458/kWh

A revised rate will go into effect October 1 of each year of the effective rate period based on the formula above and updated financial and load data. Western will notify the Customer annually of the revised rate before October 1.

Any change to the rate for Regulation Service will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION
Western Area Colorado Missouri Balancing Authority**

ENERGY IMBALANCE SERVICE

Applicable

The Western Area Colorado Missouri Balancing Authority (WACM) provides Energy Imbalance Service when there is a difference between a Customer's (Federal Transmission Customers and customers on others' transmission systems inside WACM) resources and obligations. Energy Imbalance is calculated as resources minus obligations (adjusted for transmission and transformer losses) for any combination of generation, scheduled transfers, transactions, or actual load integrated over each hour. Customers inside WACM must either obtain this service from WACM or make alternative comparable arrangements to satisfy their Energy Imbalance Service obligation. This rate applies to all customers with load inside WACM.

Effective

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

Formula Rate

Imbalances are calculated in three deviation bands as follows. The term "metered load" is defined to be "metered load adjusted for losses."

**Rate Schedule L-AS4
SCHEDULE 4 to Tariff
October 1, 2011**

1. An imbalance of less than or equal to 1.5 percent of metered load (or 4 MW, whichever is greater) for any hour is settled financially at 100 percent of the WACM weighted average hourly price.
2. An imbalance between 1.5 percent and 7.5 percent of metered load (or 4 to 10 MW, whichever is greater) for any hour is settled financially at 90 percent of the WACM weighted average hourly price when net energy scheduled exceeds metered load or 110 percent of the WACM weighted average hourly price when net energy scheduled is less than metered load.
3. An imbalance greater than 7.5 percent of metered load (or 10 MW, whichever is greater) for any hour is settled financially at 75 percent of the WACM weighted average hourly price when net energy scheduled exceeds metered load or 125 percent of the WACM weighted average hourly price when net energy scheduled is less than metered load.

All Energy Imbalance Service provided by WACM is accounted for hourly and settled financially. The WACM aggregate imbalance determines the pricing used in all deviation bands. A surplus dictates the use of sale pricing; a deficit dictates the use of purchase pricing. When no hourly data is available, the pricing defaults for sales and purchase pricing are applied in the following order:

1. Weighted average sale or purchase pricing for the day (on- and off-peak).
2. Weighted average sale or purchase pricing for the month (on- and off-peak).
3. Weighted average sale or purchase pricing for the prior month (on- and off-peak).

**Rate Schedule L-AS4
SCHEDULE 4 to Tariff
October 1, 2011**

4. Weighted average sale or purchase pricing for the month prior to the prior month (and continuing until sale or purchase pricing is located) (on- and off-peak).

Expansion of the bandwidth may be allowed during the following instances:

- Response to the loss of a physical resource.
- During transition of large base-load thermal resources (capacity greater than 200 MW) between off-line and on-line following a reserve sharing group response, when the unit generates less than the predetermined minimum scheduling level.

During periods of balancing authority operating constraints, Western reserves the right to eliminate credits for over-deliveries. The cost to Western of any penalty assessed by a regulatory authority due to a violation of operating standards resulting from under- or over-delivery of energy may be passed through to Energy Imbalance Service customers.

Rate

The bandwidths, penalties, and pricing described above are in effect October 1, 2011, through September 30, 2012.

Any change to the rate for Energy Imbalance Service will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION
Western Area Colorado Missouri Balancing Authority**

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 (Federal Transmission Customers and customers on others' transmission system inside Western Area Colorado Missouri Balancing Authority (WACM)) must either purchase this service from WACM or make alternative comparable arrangements to satisfy their Reserves obligation.

Effective

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

Formula Rate

WACM has no long-term Reserves available for sale. At a Customer's request, WACM will purchase Reserves and pass through the cost of Reserves and any activation energy, plus a fee for administration. The Customer will be responsible for providing the transmission to deliver the Reserves.

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OPERATING RESERVE - SUPPLEMENTAL RESERVE SERVICE

Applicable

Supplemental Reserve Service (Reserves) is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Reserves may be provided by generating units that are on-line but unloaded, by quick-start generation, or by interruptible load. The Customers (Federal Transmission Customers and customers on others' transmission system inside Western Area Colorado Missouri Balancing Authority (WACM)) must either purchase this service from WACM or make alternative comparable arrangements to satisfy their Reserves obligation.

Effective

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

Formula Rate

WACM has no long-term Reserves available for sale. At a Customer's request, WACM will purchase Reserves and pass through the cost of Reserves and any activation energy, plus a fee for administration. The Customer will be responsible for providing the transmission to deliver the Reserves.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION
Western Area Colorado Missouri Balancing Authority**

TRANSMISSION LOSSES SERVICE

Applicable

The Western Area Colorado Missouri Balancing Authority (WACM) provides Transmission Losses Service to all Transmission Service Providers who market transmission inside WACM. The loss factor currently in effect is posted on the Rocky Mountain Region (RMR) Open Access Same-Time Information System (OASIS) web site.

Effective

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

Formula Rate

Transmission Losses are assessed for all real-time and prescheduled transactions on transmission facilities inside WACM. The Customer is allowed the option of energy repayment or financial repayment. Energy repayment may be either concurrently or seven days later, to be delivered using the same profile as the related transmission transaction. Customers must declare annually their preferred methodology of energy payback.

When a transmission loss energy obligation is not provided (or is under-provided) by a Customer for a transmission transaction, the energy still owed for Transmission Losses is calculated and a charge is assessed to the Customer, based on the WACM weighted average hourly purchase price.

Rate Schedule L-AS7
October 1, 2011

Pricing for loss energy due 7 days later, and not received by WACM, will be priced at the 7-day-later-price based on the WACM weighted average hourly purchase price.

There will be no financial compensation or energy return to Customers for over-delivery of Transmission Losses, as there should be no condition beyond the control of the Customer that results in overpayment.

Rate

This loss factor, as posted on the RMR OASIS, is in effect October 1, 2011, through September 30, 2012. Customers may settle financially or with energy. The pricing for this service will be the WACM weighted average hourly purchase price. When no hourly data is available, pricing defaults will be applied in the following order:

1. Weighted average purchase pricing for the day (on- and off-peak).
2. Weighted average purchase pricing for the current month (on- and off-peak).
3. Weighted average purchase pricing for the prior month (on- and off-peak).
4. Weighted average purchase pricing for the month prior to the prior month (and continuing until or purchase pricing is located) (on- and off-peak).

Any change to the rate for Transmission Losses Service will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

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

**LONG-TERM FIRM AND SHORT-TERM FIRM POINT-TO-POINT
TRANSMISSION SERVICE**

Applicable

The Transmission Customer shall compensate the Loveland Area Projects (LAP) each month for Reserved Capacity under the applicable Firm Point-to-Point Transmission Service Agreement and the rate outlined herein.

Discounts

Three principal requirements apply to discounts for transmission service as follows:

(1) any offer of a discount made by LAP must be announced to all eligible customers solely by posting on the Rocky Mountain Region's Open Access Same-Time Information System web site (OASIS); (2) any customer-initiated requests for discounts, including requests for use by the LAP merchant, must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, LAP must offer the same discounted transmission service rate for the same time period to all eligible customers on all unconstrained transmission paths that go to the same point(s) of delivery on the transmission system.

**Rate Schedule L-FPT1
SCHEDULE 7 to Tariff
October 1, 2011**

Effective

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

Formula Rate

$$\begin{array}{r} \text{Firm} \\ \text{Point-to-Point} \\ \text{Transmission Rate} \end{array} = \frac{\text{Annual Transmission Revenue Requirement}}{\text{LAP Transmission System Total Load}}$$

Rate

The rate to be in effect October 1, 2011, through September 30, 2012, is:

	<u>Maximum of:</u>
Yearly:	\$41.80/kW of reserved capacity per year
Monthly:	\$ 3.48/kW of reserved capacity per month
Weekly:	\$ 0.80/kW of reserved capacity per week
Daily:	\$ 0.11/kW of reserved capacity per day

A revised rate will go into effect October 1 of each year of the effective rate period based on the formula above, updated financial and load projections, and the true-up of previous projections.

Western will notify the Transmission Customer annually of the revised rate before October 1.

Any change to the rate for Long-Term Firm and Short-Term Firm Transmission Service will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

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ROCKY MOUNTAIN REGION
Loveland Area Projects**

NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

Applicable

The Transmission Customer will compensate Loveland Area Projects (LAP) for Non-Firm Point-to-Point Transmission Service under the applicable Non-Firm Point-to-Point Transmission Service Agreement and the rate outlined herein.

Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by LAP must be announced to all eligible customers solely by posting on Rocky Mountain Region's Open Access Same-Time Information System web site (OASIS); (2) any customer-initiated requests for discounts, including requests for use by the LAP merchant, must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, LAP must offer the same discounted transmission service rate for the same time period to all eligible customers on all unconstrained transmission paths that go to the same point(s) of delivery on the transmission system.

**Rate Schedule L-NFPT1
SCHEDULE 8 to Tariff
October 1, 2011**

Effective

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

Formula Rate

$$\begin{array}{ccc} \text{Maximum Non-Firm Point-to-Point} & = & \text{Firm Point-to-Point} \\ \text{Transmission Rate} & & \text{Transmission Rate} \end{array}$$

Rate

The rate to be in effect October 1, 2011, through September 30, 2012, is:

	<u>Maximum of:</u>
Yearly	\$41.80/kW of reserved capacity per year
Monthly:	\$3.48/kW of reserved capacity per month
Weekly:	\$0.80/kW of reserved capacity per week
Daily:	\$0.11/kW of reserved capacity per day
Hourly:	4.77 mills/kWh

A revised rate will go into effect October 1 of each year of the effective rate period based on the formula above, updated financial and load projections, and the true-up of previous projections.

Western will notify the Transmission Customer annually of the revised rate before October 1.

Any change to the rate for Non-Firm Point-to-Point Transmission Service will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

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ROCKY MOUNTAIN REGION
Loveland Area Projects**

**ANNUAL TRANSMISSION REVENUE REQUIREMENT FOR
NETWORK INTEGRATION TRANSMISSION SERVICE**

Applicable

Transmission Customers will compensate the Loveland Area Projects each month for Network Integration Transmission Service under the applicable Network Integration Transmission Service Agreement and the Annual Transmission Revenue Requirement described herein.

Effective

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

Formula Rate

$$\text{Monthly Charge} = \text{Transmission Customer's Load-Ratio Share} \times \frac{\text{Annual Transmission Revenue Requirement}}{12}$$

Rate

The Annual Transmission Revenue Requirement in effect October 1, 2011, through September 30, 2012, is \$56,775,913.

A revised Annual Transmission Revenue Requirement will go into effect October 1 of each year of the effective rate period based on updated financial projections and the true-up of previous projections. Western will notify the Transmission Customer annually of the revised Annual Transmission Revenue Requirement before October 1.

**Rate Schedule L-NT1
ATTACHMENT H to Tariff
October 1, 2011**

Any change to the rate for Network Integration Transmission Service will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

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ROCKY MOUNTAIN REGION
Western Area Colorado Missouri Balancing Authority**

GENERATOR IMBALANCE SERVICE

Applicable

The Western Area Colorado Missouri (WACM) Balancing Authority provides Generator Imbalance Service when there is a difference between a Customer's (Federal Transmission Customers and customers on others' transmission systems inside WACM) resources and obligations. Generator Imbalance is calculated as actual generation minus scheduled generation for each hour. Customers inside WACM must either obtain this service from WACM or make alternative comparable arrangements to satisfy their Generator Imbalance Service obligation. This rate applies to all jointly-owned generators (unless arrangements are made to allocate actual generation to each individual owner), intermittent generators (unless arrangements are made to assess the intermittent generator under Rate Schedule L-AS4), and any non-intermittent generators serving load only outside WACM.

Effective

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

Formula Rate

Imbalances are calculated in three deviation bands as follows:

**Rate Schedule L-AS9
SCHEDULE 9 to Tariff
October 1, 2011**

1. An imbalance of less than or equal to 1.5 percent of metered generation (or 4 MW, whichever is greater) for any hour is settled financially at 100 percent of the WACM weighted average hourly price.
2. An imbalance between 1.5 percent and 7.5 percent of metered generation (or 4 to 10 MW, whichever is greater) for any hour is settled financially at 90 percent of the WACM weighted average hourly price when actual generation exceeds scheduled generation or 110 percent of the WACM weighted average hourly price when actual generation is less than scheduled generation.
3. An imbalance greater than 7.5 percent of metered generation (or 10 MW, whichever is greater) for any hour is settled financially at 75 percent of the WACM weighted average hourly price when actual generation exceeds scheduled generation or 125 percent of the WACM weighted average hourly price when actual generation is less than scheduled generation.

Intermittent generators are exempt from 25 percent penalties. All imbalances greater than 1.5 percent of metered generation are subject only to a 10 percent penalty.

All Generator Imbalance Service provided by WACM is accounted for hourly and settled financially. The WACM aggregate imbalance determines the pricing used in all deviation bands. A surplus dictates the use of sale pricing; a deficit dictates the use of purchase pricing. When no hourly data is available, the pricing defaults for sales and purchase pricing are applied in the following order:

**Rate Schedule L-AS9
SCHEDULE 9 to Tariff
October 1, 2011**

1. Weighted average sale or purchase pricing for the day (on- and off-peak).
2. Weighted average sale or purchase pricing for the current month (on- and off-peak).
3. Weighted average sale or purchase pricing for the prior month (on- and off-peak).
4. Weighted average sale or purchase pricing for the month prior to the prior month (and continuing until sale or purchase pricing is located) (on- and off-peak).

Expansion of the bandwidth may be allowed during the following instances:

- Response to the loss of a physical resource.
- During transition of large base-load thermal resources (capacity greater than 200 MW) between off-line and on-line following a reserve sharing group response, when the unit generates less than the predetermined minimum scheduling level.

During periods of balancing authority operating constraints, Western reserves the right to eliminate credits for over-deliveries. The cost to Western of any penalty assessed by a regulatory authority due to a violation of operating standards resulting from under- or over-delivery of energy may be passed through to Generator Imbalance Service customers.

Rate

The bandwidths, penalties, and pricing described above are in effect October 1, 2011, through September 30, 2012.

**Rate Schedule L-AS9
SCHEDULE 9 to Tariff
October 1, 2011**

Any change to the rate for Generator Imbalance Service will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.

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

UNRESERVED USE PENALTIES

Applicable

The Transmission Customer shall compensate the Loveland Area Projects (LAP) each month for any unreserved use of the transmission system (Unreserved Use) under the applicable transmission service rates as outlined herein. Unreserved Use occurs when an eligible customer uses transmission service that it has not reserved or a Transmission Customer uses transmission service in excess of its reserved capacity. Unreserved Use may also include a Customer's failure to curtail transmission when requested.

Penalty Rate

The penalty rate for a Transmission Customer that engages in Unreserved Use is 200 percent of LAP's approved rate for firm point-to-point transmission service assessed as follows: the Unreserved Use Penalty for a single hour of Unreserved Use is based upon the rate for daily firm point-to-point service. The Unreserved Use Penalty for more than one assessment for a given duration (e.g., daily) increases to the next longest duration (e.g., weekly). The Unreserved Use Penalty for multiple instances of Unreserved Use (e.g., more than one hour) within a day is based on the rate for daily firm point-to-point service. The Unreserved Use Penalty for multiple instances of Unreserved Use isolated to one calendar week is based on the rate for weekly firm point-to-point service. The Unreserved Use Penalty for multiple instances

**Rate Schedule L-UU1
SCHEDULE 10 to Tariff
October 1, 2011**

of Unreserved Use during more than one week in a calendar month is based on the rate for monthly firm point-to-point service.

A Transmission Customer that exceeds its firm reserved capacity at any point of receipt or point of delivery, or an eligible customer that uses transmission service at a point of receipt or point of delivery that it has not reserved, is required to pay for all ancillary services that were provided by the Western Area Colorado Missouri Balancing Authority and associated with the Unreserved Use. The Customer will pay for ancillary services based on the amount of transmission service it used and did not reserve.

Effective

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

Rate

The rate for Unreserved Use Penalties is 200 percent of LAP's approved rate for firm point-to-point transmission service assessed as described above.

Any change to the rate for Unreserved Use Penalties will be listed in a revision to this rate schedule issued under applicable Federal laws, regulations, and policies and made part of the applicable service agreement.