

**Rate Schedule L-AS2
SCHEDULE 2 to OATT
(Supersedes Rate Schedule SP-RS4
and Rate Schedule L-AS2 dated
October 1, 2011, through September 30, 2016)**

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Colorado River Storage Project
Loveland Area Projects
Western Area Colorado Missouri Balancing Authority**

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

Effective

The first day of the first full billing period beginning on or after October 1, 2016, and extending through September 30, 2021, or until superseded by another rate schedule, whichever occurs first.

Applicable

This rate schedule applies to Colorado River Storage Project (CRCM) and Loveland Area Projects (LAPT) as Transmission Service Providers (TSPs) and to Western Area Colorado Missouri Balancing Authority (WACM) as the Control Area operator. Reactive Supply and Voltage Control from Generation or Other Sources Services (VAR Support Service) is required to maintain transmission voltages on the TSPs transmission facilities within acceptable limits, using generation facilities and non-generation resources capable of providing this service to produce or absorb reactive power. Thus, VAR Support Service must be provided for each transaction on the transmission facilities within the Control Area. The amount of VAR Support Service supplied to the transmission transactions will be based on the VAR Support Service necessary to maintain transmission voltages within limits generally accepted in the region and consistently adhered to by WACM.

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The CRCM and LAPT TSPs must offer this service for each transaction and the Federal Transmission Customers must purchase this service from the CRCM and LAPT TSPs, unless the Transmission Customer has generating resources capable of providing VARs directly connected to a Federal transmission facility owned and operated by CRCM and/or LAPT and has executed a contract stipulating all the provisions of their self-supply. If WACM provides VAR Support Service on behalf of any non-Federal TSP, VAR Support Service will be assessed based on either the TSP's reserved capacity or the tagged megawatt usage of the TSP's Transmission Customers.

Formula Rate

$$\begin{array}{l} \text{VAR} \\ \text{Support Service} \\ \text{Formula Rate} \end{array} = \frac{\text{Annual Revenue Requirement for VAR Support Service (\$)}}{\text{Transmission Transactions Requiring} \\ \text{VAR Support Service (kW)}}$$

The annual revenue requirement for VAR Support Service equals the revenue requirement for Federal generation times the % of resource capacity used for VAR Support Service (1 minus power factor) plus other resources, e.g., energy and transmission costs for condensing Federal generating units minus applicable revenue credits related to WACM providing service.

The transmission transactions requiring VAR Support Service equals transmission capacity use of the Federal transmission systems; including point-to-point and network service on LAPT and CRCM transmission systems.

A calculated charge will go into effect every October 1 based on the formula above and updated financial and capacity data. The annual charge will be posted on the CRCM and LAPT Open Access Same-Time Information System websites.