

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."

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

**Rate Schedule L-AS4
SCHEDULE 4 to Tariff
October 1, 2015**

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).
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).

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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, 2015, through September 30, 2016.

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.