

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

**PICK-SLOAN MISSOURI BASIN PROGRAM--EASTERN DIVISION  
MONTANA, NORTH DAKOTA, SOUTH DAKOTA, MINNESOTA, IOWA,  
NEBRASKA**

**SCHEDULE OF RATES FOR FIRM POWER SERVICE**  
(Approved Under Rate Order No. WAPA-166)

Effective:

The first day of the first full billing period beginning on or after January 1, 2015, through December 31, 2019, or until superseded by another rate schedule.

Available:

Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program.

Applicable:

To the power and energy delivered to customers as firm power service.

Character:

Alternating current, 60 hertz, three phase, delivered and metered at the voltages and points established by contract.

Formula Rate and Charge Components:

Rate = Base component + Drought Adder component

Monthly Charge as of January 1, 2015, under the Rate:

**CAPACITY CHARGE:**

\$7.65 for each kilowatt per month (kWmonth) of billing capacity.

**ENERGY CHARGE:**

19.05 mills for each kilowatthour (kWh) for all energy delivered as firm power service.

BILLING CAPACITY: The billing capacity will be as defined by the power sales contract.

Base: A fixed revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing purchase power (purchases due to operational constraints, not associated with drought), and transmission costs. The Base component charges are fixed amounts under this Rate Schedule, determined as follows:

$$\text{Base Capacity} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Firm Metered Billing Units}} = \$4.90/\text{kWmonth}$$

$$\text{Base Energy} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Annual Energy}} = 12.33 \text{ mills/kWh}$$

Drought Adder: A formula-based revenue requirement that includes future purchase power above timing purchases, previous purchase power drought deficits, and interest on the purchase power drought deficits. The formulas, along with the charges under the formulas as of January 1, 2015, are:

$$\text{Drought Adder Capacity} = \frac{50\% \times \text{Drought Adder Revenue Requirement}}{\text{Firm Metered Billing Units}} = \$2.75/\text{kWmonth}$$

$$\text{Drought Adder Energy} = \frac{50\% \times \text{Drought Adder Revenue Requirement}}{\text{Annual Energy}} = 6.72 \text{ mills/kWh}$$

Process:

Any proposed change to the Base component will require a public process.

The Drought Adder may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Power Repayment Study (PRS) composite rate. Any planned incremental upward adjustment to the Drought Adder greater than the equivalent of 2 mills/kWh to the PRS composite rate will require a public process. The Drought Adder may be adjusted downward pursuant to the formulas without a public process.

A revised Drought Adder charge may go into effect January 1 of each year based on the formula above. Western will notify customers annually in October of the revised monthly charges. Any change to the Drought Adder component will be identified in a revision to charges under this rate schedule.

Adjustments:

For Character and Conditions of Service:

Customers who receive deliveries at transmission voltage may, in some instances, be eligible to receive a 5 percent discount on capacity and energy charges when facilities are provided by the customer that results in a sufficient savings to Western to justify the discount. The determination of eligibility for receipt of the voltage discount shall be exclusively vested in Western.

For Billing of Unauthorized Overruns:

For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual firm power and/or energy obligations, such overrun shall be billed at 10 times the formula rate.

For Power Factor:

None. Customers will be required to maintain a power factor at the point of delivery between 95-percent lagging and 95-percent leading.