



Department of Energy
Western Area Power Administration
Watertown Operations Office
1330 41st Street SE
P.O. Box 790
Watertown, SD 57201-0790

April 30, 2008

Dear Transmission Customers and Other Interested Parties:

Enclosed is the Integrated System (IS) Transmission and Ancillary Services Rate Calculation which will be effective May 1, 2008. The rates are as follows:

<u>Service</u>	<u>Rate Schedule</u>	<u>Rate</u>
Network Transmission	UGP-NT1	Load-ratio share of 1/12 of the Annual Revenue Requirement for IS Transmission Service of \$149,314,481.
Firm Point-to-Point Transmission	UGP-FPT1	Maximum of \$2.98/kWmonth
Non-Firm Point-to-Point Transmission	UGP-NFPT1	Maximum of 4.08 mills/kWh
Scheduling, System Control and Dispatch	UGP-AS1	\$55.98/schedule/day
Reactive Supply and Voltage Control from Generation Sources	UGP-AS2	\$0.07/kWmonth
Regulation and Frequency Response	UGP-AS3	\$0.04/kWmonth
Energy Imbalance	UGP-AS4	For negative excursions outside of 3 percent bandwidth, the Upper Great Plains Region reserves the right to charge 100 mills/kWh. Positive excursions outside the bandwidth will be lost to the system.
Spinning/Supplemental Reserves	UGP-AS5 and 6	\$0.13/kWmonth of customer load

The IS Transmission Loss Factor effective May 1, 2008, is 4 percent and unchanged from the previous 3-year period. The new rate shall be used in transmission bills issued on or after June 1, 2008.

If you have any questions concerning the IS Transmission and Ancillary Services Rate Calculation, please telephone Lloyd Linke at (605) 882-7500.

Sincerely,



Lloyd A. Linke
Operations Manager

Enclosure