

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

**UPPER GREAT PLAINS REGION
Pick-Sloan Missouri Basin Program--Eastern Division**

**FIRM POWER SERVICE
(Approved Under Rate Order No. WAPA-203)**

Effective:

The first day of the first full billing period beginning on or after January 1, 2023, through December 31, 2027, or until superseded by another rate schedule, whichever occurs earlier.

Available:

Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program, within Montana, North Dakota, South Dakota, Minnesota, Iowa, and Nebraska.

Applicable:

To the power and energy delivered to customers as firm power service, as established in the contract for 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, 2023, under the Rate:

CAPACITY CHARGE: \$6.20 for each kilowatt per month (kWmonth) of billing capacity.

ENERGY CHARGE: 15.27 mills for each kilowatt-hour (kWh) for all energy delivered as firm power service.

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

Charge Components:

Base Component: A fixed-revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing power purchases (purchases due to operational constraints, not associated with drought), and transmission costs. Any proposed change to the Base component will require a public process. As of January 1, 2023, the Base component revenue requirement is \$213.8 million and the charges under the formulas are:

$$\text{Base Capacity} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Firm Metered Billing Units}} = \$5.45/\text{kWmonth}$$

$$\text{Base Energy} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Annual Energy}} = 13.36 \text{ mills/kWh}$$

Drought Adder Component: A formula-based revenue requirement that includes future power purchases above normal timing power purchases, previous purchase power drought-related deficits, and interest on the purchase power drought-related deficits. As of January 1, 2023, the Drought Adder component revenue requirement is \$30.0 million and the charges under the formulas are:

$$\text{Drought Adder Capacity} = \frac{50\% \times \text{Drought Adder Revenue Requirement}}{\text{Firm Metered Billing Units}} = 0.75/\text{kWmonth}$$

$$\text{Drought Adder Energy} = \frac{50\% \times \text{Drought Adder Revenue Requirement}}{\text{Annual Energy}} = 1.91 \text{ mills/kWh}$$

Annual Drought Adder Adjustment Process:

The Drought Adder component 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 Pick-Sloan Missouri Basin Program Power Repayment Study (PRS) composite rate. Any planned incremental upward adjustment to the Drought Adder component greater than the equivalent of 2 mills/kWh to the PRS composite rate will require a public process.

The annual review process is initiated in early summer when the Upper Great Plains Region (UGP) reviews the Drought Adder component and provides notice of any estimated change to the Drought Adder component charge under the formula. In October, UGP will make a final determination of any change to the Drought Adder component charge, either incremental or decremental. If a Drought Adder component change is required, a modified Drought Adder revenue requirement and the associated charges will become effective the following January 1 and will be identified in a Drought Adder modification update. UGP will inform customers of updates by letter and post updates to UGP's external website.

Adjustments:

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 within the range of 95-percent leading and 95-percent lagging, measured at the point of interconnection.