

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

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

**FIRM PEAKING POWER SERVICE  
(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first day of the first full billing period beginning on or after January 1, 2023, through December 31, 2027, or until superseded by another rate schedule, whichever occurs earlier.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 sold to customers as firm peaking 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: \$5.70 for each kilowatt per month (kWmonth) of the effective contract rate of delivery for peaking power or the maximum amount scheduled, whichever is greater.

ENERGY CHARGE: 15.27 mills for each kilowatt-hour (kWh) for all energy scheduled for delivery without return.

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 \$21.6 million and the charges under the formulas are:

$$\text{Base Capacity} = \frac{\text{Base Peaking Capacity Revenue Requirement}}{\text{Peaking CROD Billing Units}} = \$5.00/\text{kWmonth}$$

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 \$3.0 million and the charges under the formulas are:

$$\text{Drought Adder} = \frac{\text{Drought Adder Peaking Capacity Revenue Requirement}}{\text{Peaking CROD Billing Units}} = 0.70/\text{kWmonth}$$

Annual Drought Adder Adjustment 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 Pick-Sloan

Missouri Basin Program 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 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.

#### **BILLING CAPACITY:**

The billing capacity will be the greater of (1) the highest 30-minute integrated capacity measured during the month up to, but not in excess of, the delivery obligation under the power sales contract, or (2) the contract rate of delivery.

#### **Adjustments:**

##### **Billing for Unauthorized Overruns:**

For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual obligation for peaking capacity and/or energy, such overrun shall be billed at 10 times the above rate.