

12/29/09

Upper Great Plains Customer Service Region
Transmission and Ancillary Services Rates
For the Integrated System

(Rates Effective 01/01/2010 per 12/29/2009 Letter to Western’s Transmission Customers)

Type of Service	Rate	Effective
Transmission Service: (Rates expire 12/31/10)		
Integrated System Network Transmission Rate Load Ratio Share of Annual Revenue Requirement	\$163,521,251	01/01/10
Integrated System Firm Point-to-Point Rate	\$2.96/kW-Mo	01/01/10
Integrated System Non-Firm Point-to-Point Rate	4.05 mills/kWh	01/01/10
Ancillary Service: (Rates expire 12/31/10)		
Regulation and Frequency Response Service	\$0.05/kW-Mo	01/01/10
Energy Imbalance Service	(See Note 1)	01/01/10 *
Generator Imbalance Service	(See Note 2)	01/01/10 *
Operating Reserve – Spinning Reserve Service	\$0.18/kW-Mo	01/01/10
Operating Reserve – Supplemental Reserve Service	\$0.18/kW-Mo	01/01/10
Scheduling, System Control and Dispatch Service	\$44.59/Tag/Day	01/01/10
Reactive Supply and Voltage Control	\$0.05/kW-Mo	01/01/10
Penalty Rate for Unreserved Use of Transmission Service	(See Note 3)	01/01/10

* Western has elected to delay charging for Energy Imbalance and Generator Imbalance until such time as certain billing procedures are finalized. Prior to charging and billing for these services, notice of Western’s intent to initiate charging will be posted to Western’s OASIS web site. Until the new financial settlement of Energy Imbalance is implemented, monthly energy imbalance accounts will be maintained, as in the past. These accounts will be repaid within the following month.

The System Losses are: **4.00%**.

Calculations of rates for other periods are defined below and results are expressed in 3 significant digits:

Yearly:	Monthly rate*12 months/year
Weekly:	Yearly rate/52 weeks/year
Daily:	Weekly rate/7days/week

Note 1: Energy Imbalance Service:

Deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of the average incremental cost for the month.

Deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost when energy taken by the Transmission Customer in a schedule hour is greater than the energy scheduled or 90 percent of incremental cost when energy taken by a Transmission Customer in a schedule hour is less than the scheduled amount.

Deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the incremental cost for energy taken by the Transmission Customer in a scheduled hour that is greater than the energy scheduled, or 75 percent of the incremental cost for that hour when energy taken by a Transmission Customer is less than the scheduled amount.

Western's incremental cost will be based upon a representative hourly energy index or combination of indexes. The index to be used will be posted on Western's OASIS <http://www.oatioasis.com/wapa/index.html> at least 30 days prior to use for determining Western's incremental cost and will not be changed more often than once per year unless Western determines that the existing index is no longer a reliable price index.

Note 2: Generator Imbalance Service:

Deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of the average incremental cost.

Deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month. When energy delivered in a schedule hour from the generation resource is less than the energy scheduled, the charge is 110 percent of incremental cost. When energy delivered from the generation resource is greater than the scheduled amount, the credit is 90 percent of the incremental cost.

Deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of Western's incremental cost when energy delivered in a schedule hour is less than the energy scheduled or 75 percent of Western's daily incremental cost for that hour when energy delivered from the generation resource is greater than the scheduled amount. As an exception, an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW.

Deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of incremental cost. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

Western's incremental cost will be based upon a representative hourly energy index or combination of indexes. The index to be used will be posted on Western's OASIS <http://www.oatiaoasis.com/wapa/index.html> at least 30 days prior to use for determining the Western incremental cost and will not be changed more often than once per year unless Western determines that the existing index is no longer a reliable price index.

Note 3: Penalty Rate for Unreserved Use of Transmission Service:

The penalty charge for a Transmission Customer that engages in Unreserved Use is 200 percent of Western's approved transmission service rate for point-to-point transmission service assessed as follows: The Unreserved Use Penalty for a single hour of unreserved use will be based upon the rate for daily firm point-to-point service. The Unreserved Use Penalty for more than one assessment for a given duration (e.g., daily) will increase to the next longest duration (e.g., weekly). The Unreserved Use Penalty charge for multiple instances of unreserved use (for example, more than 1 hour) within a day will be based on the rate for daily firm point-to-point service. The penalty charge for multiple instances of unreserved use isolated to 1 calendar week would result in a penalty based on the charge for weekly firm point-to-point service. The penalty charge for multiple instances of unreserved use during more than 1 week during a calendar month is based on the charge for monthly firm point-to-point service.