



**Department of Energy**  
Western Area Power Administration  
Desert Southwest Customer Service Region  
P.O. Box 6457  
Phoenix, AZ 85005-6457

**DEC 05 2011**

Dear Central Arizona Project 115/230-kV Transmission Service Customers and Interested Parties:

In accordance with the Western Area Power Administration (Western) Rate Order No. WAPA-124, Western has reviewed its rate calculation for the Central Arizona Project (CAP) 115/230-kV transmission service. The referenced Rate Order established a formula rate which is reviewed annually and modified as necessary, based on updated information. As a result of this review, Western has determined there will be an increase to the existing rate. Effective January 1, 2012, the rates will be as follows:

Firm Transmission Rate (CAP-FT2)	
\$/kW-year	\$11.77
\$/kW-month	\$ .98

Nonfirm Transmission Rate (CAP-NFT2)	
	1.34 mills/kWh

The 2012 rates increase is primarily due to: significant replacement costs in 2011 at McCullough substation, increased purchased power and wheeling costs, and a reduction in average projected reservations on the CAP 115/230-kV transmission system.

Updated data concerning the CAP 115/230-kV transmission rates is available for review on Western's website at <http://www.wapa.gov/dsw/pwrmt/CAPTRP/CAPTRP.htm>.

If you have any questions or need additional information, please call Mr. Jack Murray at (602) 605-2442.

Sincerely,

A handwritten signature in cursive script that reads "Deborah K. Emler".

Deborah K. Emler  
Assistant Regional Manager  
for Power Marketing

cc:  
Ms. Lorri Gray-Lee  
Regional Director  
Bureau of Reclamation  
Lower Colorado Region  
BCOO-4821  
P.O. Box 61470  
Boulder City, NV 89006-1470