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**TPPA**

*Tuolumne Public Power Agency*  
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Phone (209) 533-5511



March 2, 2011

Mr. Thomas R. Boyko, Regional Manager  
Sierra Nevada Customer Service Region  
Western Area Power Administration  
114 Parkshore Drive  
Folsom, CA 95630-4710

Dear Mr. Boyko:

**Regarding Western Area Power Administration's 2012 Proposed Rates  
Formal Rates Process Comments**

This letter comprises Tuolumne Public Power Agency's (TPPA) response to the recent Federal Register Notice, Volume 76, No. 1 as recorded on January 3, 2011. We are grateful for Western Area Power Administration's (WAPA) ability to work hard, be fair and equal-handed throughout the rates process over the past couple of years. We certainly have appreciated being included in the Informal Rates Process where various issues have been brought to light and hammered out. This system appears to have been fairly successful for there appears to be very little left to discuss when it comes to the Formal Rates Process.

That being said there are a few points which TPPA would like to stress, specifically as a First Preference customer:

1. It is respectfully requested that First Preference customers should have some sort of year-end load and generation true-up or Revenue Adjustment Clause, rather than reliance on an estimate. It is feared that, because we are such a small fraction of the whole, our allocated costs could become wildly disproportionate, with no formal means by which to remedy the problem. Even a minor misallocation could greatly affect our customers, because of our small size.
2. Cumulative error is also a possibility, in the above example, from year-to-year. Again, because there is no actual true-up the error could end up being one-sided for years, one way or the other, with no means of rectification.
3. TPPA requests that WAPA formally introduce a First Preference Revenue Adjustment Clause, providing an avenue for producing an actual annual true up.

4. First Preference customers rely on the protection that the Maximum Percentage policy provides from major shifts in CVP generation either due to drought or due to environmentalist influenced court actions. TPPA supports the continuance of the Maximum Percentage policy.
5. It is requested that increases incurred from recalculations of the Power Revenue Requirement percentage during the mid-year review would be allocated and billed over the remaining months in the fiscal year and not billed in a one month period.

Again, thanks to your entire staff for a smooth rates process and for the opportunity to make comments during the Formal Rates phase.

Best regards,



Kathleen K. Rustrum  
TPPA Deputy Administrator