



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

DEC 8 2010

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, 2011, the rates will be as follows:

Firm Transmission Rate (CAP-FT2)

\$/kW-year \$9.80

\$/kW-month \$.82

Nonfirm Transmission Rate (CAP-NFT2)

1.12 mills/kWh

Updated data concerning the CAP 115/230-kV transmission rates will be 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 blue ink 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
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