



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

AUG 04 2010

Dear Parker-Davis Project Customers and Interested Parties:

Rate Order No. WAPA-138 for the Parker-Davis Project (P-DP) requires annual calculations of the firm electric and transmission service rates. Western Area Power Administration (Western) has calculated the rates for Fiscal Year 2011. Included in the rates are the results of the informal rate meeting held on June 23, 2010, and the Advancement of Funds (AOF) Funding Board Meeting held on July 15, 2010.

Prior to the AOF Funding Board Meeting, Western determined that \$430,000 in costs for Fiscal Years 2012 through 2015 had been incorrectly allocated to the generation revenue requirements. Western has corrected this error and is taking steps to ensure similar errors will not occur in future calculations. This error resulted in no change to the Fiscal Year 2011 rates presented at the informal rate meeting. The firm electric and transmission service rates for Fiscal Year 2011 are as follows:

Energy and Capacity Components of Firm Electric Service (PD-F7)

Capacity Rate	\$1.86/kW-Month
Energy Rate	4.24 mills/kWh
Composite Rate	8.48 mills/kWh

Long-Term Firm Point-to-Point Transmission Service (PD-FT7)

Yearly Rate	\$12.96/kW-Year
Monthly Rate	\$ 1.08/kW-Month

Short-Term Firm Point-to-Point Transmission Service (PD-FT7)

Monthly Rate	\$1.08/kW-Month
Weekly Rate	\$0.2492/kW-Week
Daily Rate	\$0.0355/kW-Day
Hourly Rate	1.48 mills/kWh

Nonfirm Transmission Service (PD-NFT7)

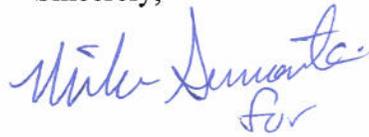
Hourly Rate	1.48 mills/kWh
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Firm Transmission Service of Salt Lake City Area Integrated Projects Power (PD-FCT7)

Seasonal Rate	\$6.48/kW-season
Monthly Rate	\$1.08/kW-month

Information concerning the P-DP rates will be available for review on Western's website at <http://www.wapa.gov/dsw/pwrmt/RateAdjust/Main.htm>. If you have any questions or need additional information, please contact Jack Murray at (602) 605-2442 or Scott Lund at (602) 605-2441.

Sincerely,



Deborah K. Emler
Assistant Regional Manager
for Power Marketing