State of Western's Assets

WESTERN AREA POWER ADMINISTRATION

Administrator's Letter

We are living in a world of unintended energy consequences where decisions in one part of our energy economy significantly affect another. Western, along with our customers, our industry partners and related executive agencies, should spend time this year understanding the consequences of what we are seeing in our world.

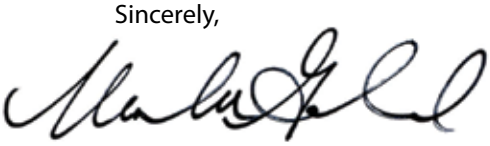
The energy industry is, at its core, a conservative business because of the significant time and investment required for any change. However, we spend too much effort focusing on the small rocks along the path to the energy frontier to avoid addressing the big rocks that loom over our future. Aging infrastructure, changing regulations, intermittent resources, cyber and physical security and markets are all issues that utilities can no longer ignore and push down the road for future employees to solve. These issues are also too daunting and unwieldy for any one utility to face alone.

At the same time, the western states are facing an unprecedented drought that will impact not only the hydropower that is principal to Western's core mission but the lives and living conditions of millions of Americans who rely on that precious resource for generating other forms of electricity, irrigation and farming, trade and navigation, recreation, firefighting and life itself.

Western has always played an active role in discussions about our changing energy environment. In today's world more than ever before, we are seeing interconnectedness and interdependencies between industries and with the greater world than we could have ever perceived 10 years ago. This State of the Assets report is a present and prospective look at Western's efforts to tackle these difficult challenges head on with customers, industry partners and other agencies to ensure future generations continue to have access to affordable electricity in all parts of the nation.

We have to think broadly about the big issues. I believe at the end of the day our relationships with all of our customers and partners will result in positive intended consequences toward sustaining safe and reliable energy generation and transmission—and the unintended consequences will also be positive in managing the nation's assets and benefitting the communities we serve.

Sincerely,



Mark A. Gabriel
Administrator

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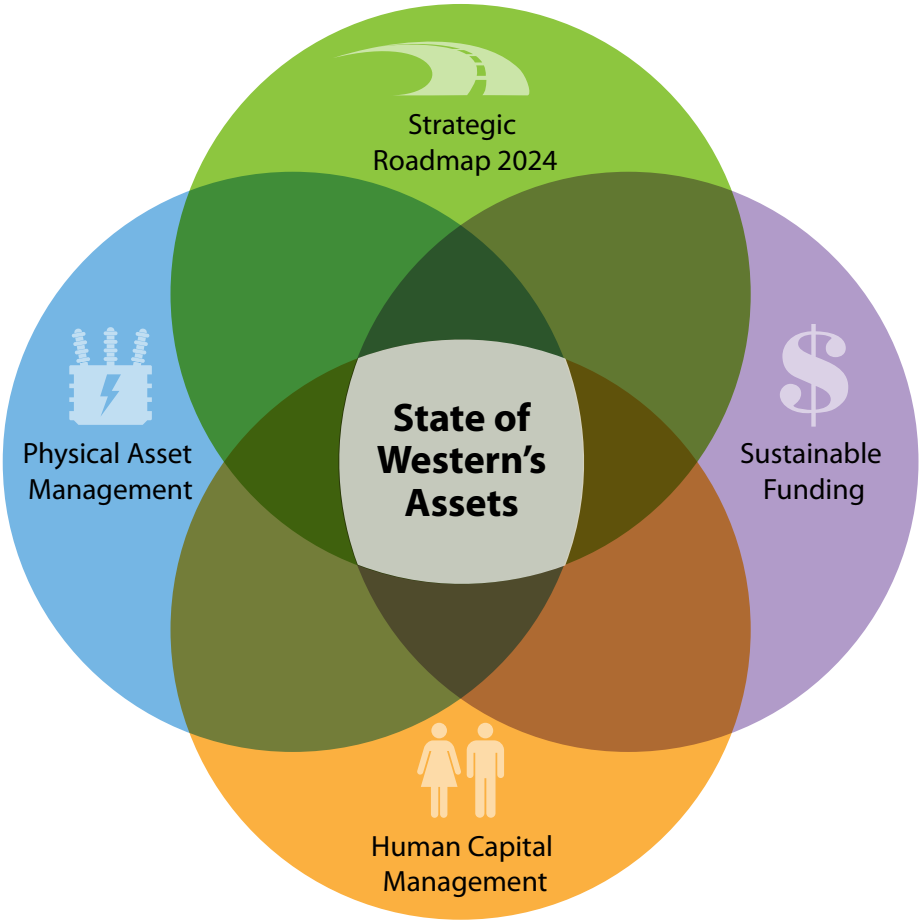
State of Western's Assets

Western Area Power Administration, a power marketing administration within the Department of Energy, markets and transmits more than 40 billion kilowatt-hours of federal hydropower through an integrated 17,000-plus circuit mile transmission system across 15 central and western states. Western's challenge and opportunity as an organization is to prepare for changes in the energy frontier.

Western's most important goal is to safely and securely market and deliver clean, renewable, low-cost federal hydroelectric power and transmission services, while at the same time, reduce risk to American taxpayers by using economically sound and environmentally responsible business practices. Recognizing this, Western's current plan, Strategic Roadmap 2024, identifies strengthening the organization's business, technology and organizational excellence as critical to creating an adaptable, data-driven, risk-based organization that anticipates changes in industry and the need of customers.

This report discusses the progress and goals of Western's various initiatives to improve the way the organization conducts day-to-day business and accommodates changes that will drive the energy industry. By focusing on the Roadmap, Human Capital Management, Asset Management and Sustainable Funding, Western will build a strong and secure foundation for success in the future.

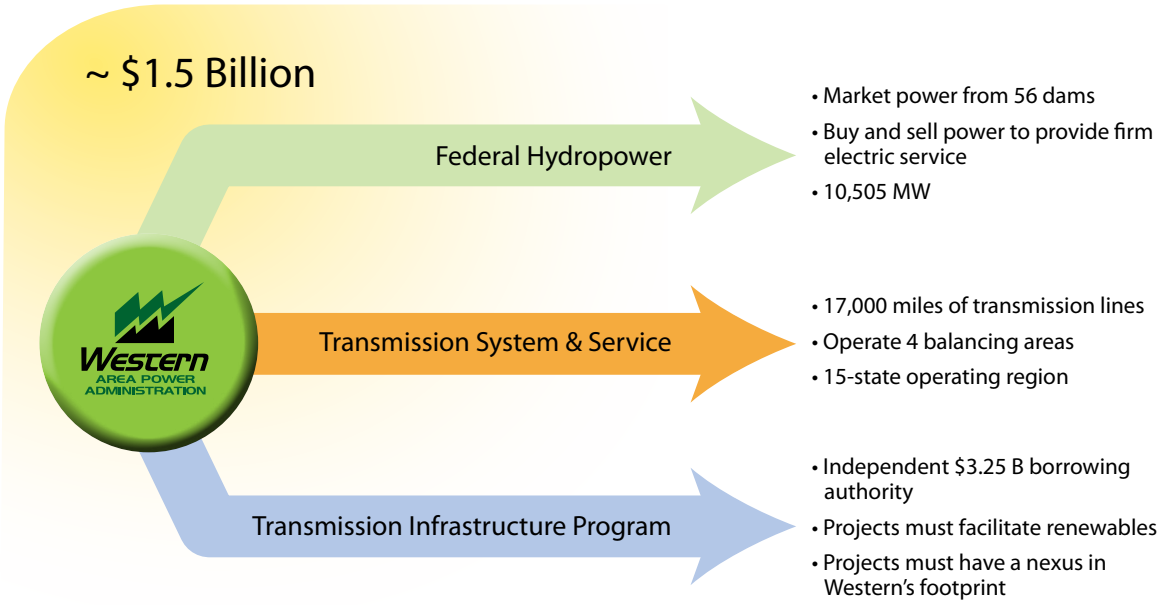
Figure 1 — State of Western's Assets



Strategic Roadmap 2024

Western published Strategic Roadmap 2024 to define a clear vision of its role in the industry, with its customers and within the federal government through 2024 and beyond. Titled "Powering the Energy Frontier," the Roadmap applies Western's mission to a dynamic and evolving industry and re-emphasizes its commitments to customers. It encompasses Western's three lines of business and how anticipated changes, like new market designs in the West, compliance regulations and increased distributed and intermittent generation resources, will affect Western and its customers. Simultaneously, the plan pulls together various strategies, programs, initiatives, capital budgets, annual targets and others to ensure the organization moves in one direction and provides valuable and relevant products and services for customers and the American people.

Figure 2 – Western's Three Lines of Business



The Roadmap identifies four Critical Pathways, which are foundational building blocks for Western to accomplish its mission. They are:

- **Business, Technology and Organizational Excellence:** Expanding on organizational excellence by applying knowledge, technology, innovation and engaging internal and external partners to optimize operational effectiveness.
- **Mutually Beneficial Partnerships:** Building and sustaining productive relationships that enhance trust, operational effectiveness and business opportunities for all parties.
- **Evolution of Services:** Evolving Western's power and transmission services in response to the needs of a diverse customer base and the demands of a changing industry and technology environment through operational excellence and the application of cost containment and proper cost allocation principles.
- **Powering the Energy Frontier:** Provide premier power and transmission services to our customers by applying business, technology and organizational excellence; building mutually beneficial partnerships; and enhancing the nation's economic security and stability.

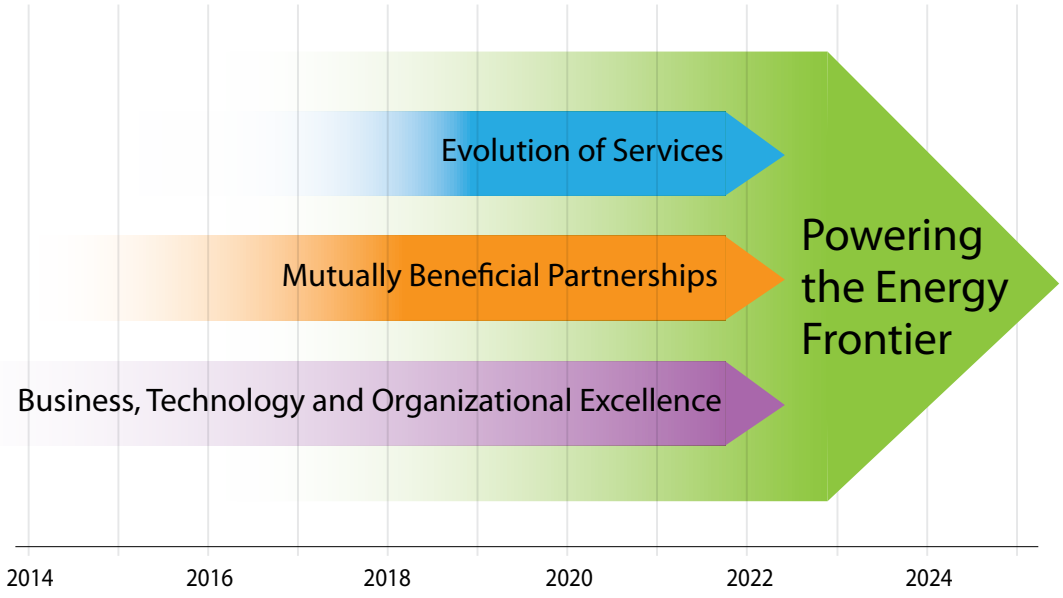
A Tactical Action Plan, accompanying the Roadmap as an appendix, identifies the activities and tasks needed to fully achieve the Critical Pathways. It connects the mission and Roadmap to daily activities, helping Western staff focus time and resources on activities that add the most value to the organization and its customers.

The TAP is organized into seven Strategic Target Areas, each of which is an organizational focus for the next few years. Target Areas are also used to develop employee performance plans and create the agency's performance targets, which measure annual progress and implementation of the TAP.

In 2015, Western will continue to educate staff and customers on the Roadmap and begin to implement TAP tasks, which include developing a customer survey, continuing discussions on developing a joint tariff in Rocky Mountain and formalizing the asset management program.

Through the Roadmap, Western will continue to deliver on its mission, manage resources effectively and operate safely, securely and reliably through 2024 and beyond.

Figure 3 — Strategic Roadmap 2024



Mission

Market and deliver clean, renewable, reliable, cost-based Federal hydroelectric power and related services

For more information on Strategic Roadmap 2024, visit Western's About Web page at **www.wapa.gov**.

Human Capital Management

Western's 1,420 employees are the drivers of a efficient, effective and successful Western. Empowering employees to find better ways of doing business is a current organizational focus that will pay dividends in creating a relevant and productive Western in the future. Western also continues to focus on workforce management to ensure the organization has the right skills and the right people in the right places to continue its successful legacy in the energy frontier.

Western held a Leadership Summit that brought together about 200 supervisors, managers, team leads and foreman IIIs to provide training and updates on Strategic Roadmap 2024, change management, continuous process improvement, security, diversity and internal controls. Change management and continuous process improvement are new programs at Western to help employees maneuver in the rapidly evolving energy industry, strengthen customer service, eliminate inefficiencies and improve processes and procedures. After receiving extensive positive feedback on the content and quality of the summit, Western will take this training to employees across Western in a roadshow through the first half of 2015 so all employees can expand their skills. Armed with this forward-thinking culture, Western employees will be well equipped for tackling the greatest industry and organizational challenges.

Recruiting, retaining best employees

Also crucial to a professional workforce is the ability to recruit and retain highly skilled and diverse individuals. In 2015, Western will streamline its hiring process, seek ways to improve inclusion and diversity and implement effective workforce and succession planning at every level of the organization.

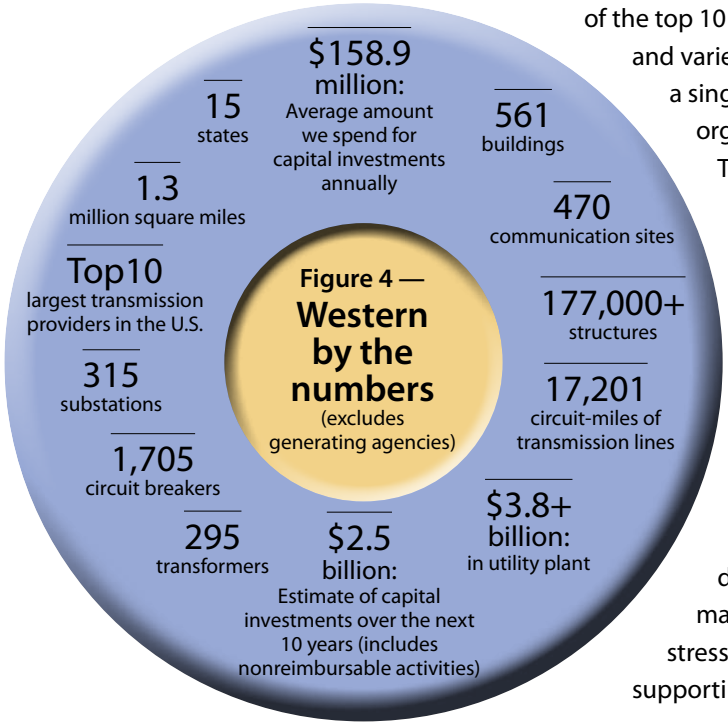
A current trend in today's rapidly changing industry is the increased demand for employees specializing in science, technology, engineering and math. Pay disparities between government and private sectors, particularly in engineering, hamper Western's ability to hire highly technical employees. In 2015, Western will continue to pursue alternate pay schedules for electrical and electronics engineers. By continuing to explore these and other alternative options, Western can improve its competitiveness as an employer of choice.

Western to be shared service center

In recognition of Western's excellent human capital management, Secretary of Energy Ernest Moniz chose Western to be the human resources shared service center for Western, Southeastern and Southwestern Power Administrations. When implemented in 2016, Western's human capital management program will be shared with the other power marketing administrations and serve as a model for other service centers.

Asset Management

Consistent, standard and repeatable data is the cornerstone of an effective and sustainable organization. Western's considerable assets, including more than 17,000 circuit miles of transmission, 320 substations and nearly 300 transformers, make it one of the top 10 largest transmission providers in the U.S. The amount and variety of those assets present challenges in providing a single, comprehensive and accurate depiction of the organization's asset health and needs for reinvestment. To gain a better understanding of its physical assets, Western embarked on an effort to strengthen its asset management activities.



The Asset Management Program unveiled the first set of risk reports on some of Western's most critical transmission equipment, quantifying the health, importance and risk of Western's power circuit breakers, power transformers and transmission line segments over 100 kilovolts using best practices in asset management. These data-driven analyses trend condition and risk over time to maximize an asset's useful life and identify strained or stressed equipment in need of replacement or additional supporting infrastructure.

The 10-year regional and Westernwide capital plans built with this data provide an objective view of Western's current and projected needs over the next decade that can be shared and discussed with customers, DOE, Congress and others. Having holistic, consistent and comparable information on the condition of its assets helps Western and customers make risk-based decisions about maintenance activities, replacement strategies and funding.

In 2015, AMPIP will transition into a formal Asset Management program that will continue to monitor and refine Western's asset management and capital planning activities and analyze additional asset classes.

To advance Western's ability to collect data, field crews will begin using mobile Personal Digital Assistants and Transmission Line Inspection tools that automate data-collection activities in substations and along transmission lines. By moving to standard tools and techniques, Western will gain consistent and comparable data to paint a single Westernwide picture of the agency's physical assets and reduce the back-end time and effort needed to maintain multiple systems.

For more information on the Asset Management program, visit **http://go.usa.gov/WXax**.

Enterprise Risk Management to inform decisions

Western's Risk Office and Enterprise Risk Management Committee are responsible for institutionalizing risk-informed decision making throughout the organization. Deliberately and consciously identifying, documenting, evaluating and managing risk leads to better-informed decisions for Western, employees and customers. Western's Risk Office and ERM Committee identified seven core enterprise risks for the agency:

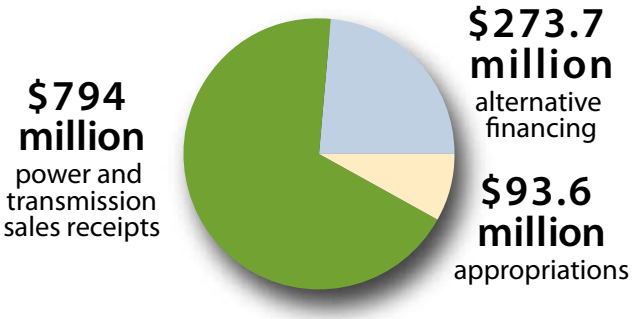
- Cybersecurity breach
- Failure of critical asset
- Inability to maintain sustainable funding
- Natural disaster
- Physical security breach
- Reduced power system operating capability
- Severe safety incident with employee or public

Using these risks as a guide, the Chief Risk Office continues to work with Western's senior leadership to manage risk across the enterprise. In 2015, the Chief Risk Office and ERM Committee will establish annual monitoring of these risks, educate employees on quality decision-making techniques and strengthen the relationship between risk management and internal audit and compliance.

Sustainable Funding

One of the most critical challenges facing Western is the ability to clearly articulate investment needs and acquire adequate funding to maintain reliability and also affordable services. To meet these needs, Western reformulated its capital planning and budget development processes to incorporate asset management data, improve regional 10-year plans and refresh how the budget is developed.

Figure 5 —
Western's Fiscal Year 2016 budget request totals nearly $1.1 billion*



*Budget request excludes Transmission Infrastructure Program

The linchpins for sustainable funding are the regional 10-year capital plans created in concert with customers, which are then rolled up into a Westernwide plan. The 10-year plans tie together asset management data and funding requests by identifying necessary construction and maintenance, funding sources and conceptual schedules for the next decade.

Western tested a new process to improve the 10-year regional and Westernwide capital plans, which were then shared with customers. The 10-year capital investment plans provide the basis for regional and organizational sustainable funding discussions with preference power customers in 2015 to ensure the right funding tools are in place to sustain Western's needs.

Using the 10-year plans, Western, in cooperation with its customers, will make capital improvement investments of $150-$250 million per year over the next 10 years.

Western also designed a new budget formulation process to incorporate 360-leadership reviews, the annual asset reports and the 10-year capital investment plans into the budget to help justify future funding requests. As funding needs are met, Western will implement the 10-year plans, which will change the asset management report information and begin the cycle anew each year.

Planning for contingencies

As part of Western's sustainability plan, the organization maintains unobligated balances to provide for continuity of operations. Senior leadership is reviewing the organization's unobligated balances to ensure there is adequate funding in the event of contingencies. Programs being reviewed include annual operations and maintenance, capital investment, purchase power and wheeling and cash flow. In 2015, Western will develop specific evaluation principles, strategies and procedures based on the nature of each program. Through the development of these strategies, the agency will ensure the most effective use of resources to fund its operations.

Transmission Infrastructure Program

Western's Transmission Infrastructure Program has $3.25 billion in borrowing authority to support the development, construction, financing and operation of transmission projects that facilitate delivery of clean, renewable power with at least one terminus in Western's service territory.

To continuously improve how projects are evaluated, TIP announced new guidelines for the program and also called for new project applications. The guidelines define:

- how a project moves through the application, development and financing stages
- actions applicants need to take during the process
- how TIP staff will evaluate proposals and communicate with applicants

TIP has received 11 project proposals, and two previously inactive projects have been refreshed. If constructed, these projects could add up to 3,200 megawatts of capacity to the grid in the West.

TIP has also completed two projects and is supporting the development of three others:

- The Montana-Alberta Tie Line project was completed in 2012.
- The Electrical District No. 5-to-Palo Verde Hub Project, a 109-mile transmission line in Arizona, was put into commercial operation in January 2015. The line added 410 MW of bi-directional capacity between a renewable-rich area and the Palo Verde Hub. The $91 million financing provided by Western will be repaid by the project's users over the life of the project.
- TransWest Express is a proposed 725-mile, 3,000-MW line to bring wind energy from south central Wyoming to southern Nevada. A final environmental impact statement is expected in 2015. The EIS is one of many parts of project development that will help Western determine whether it will participate in financing the construction of the project.
- The Southline Transmission Project is a proposed 360-mile, 1,000-MW line that would consist of a new 240-mile, 345-kilovolt transmission line and a 120-mile upgrade of an existing Western line from 115 kV to 230 kV. The final EIS' anticipated release is 2015. Western will also continue other development work in 2015, including the establishment of a Western Electricity Coordinating Council-approved path rating.
- Centennial West, a proposed 900-mile transmission line from New Mexico and Arizona to communities in California, is in the early development phase. Western is a co-lead for the EIS.

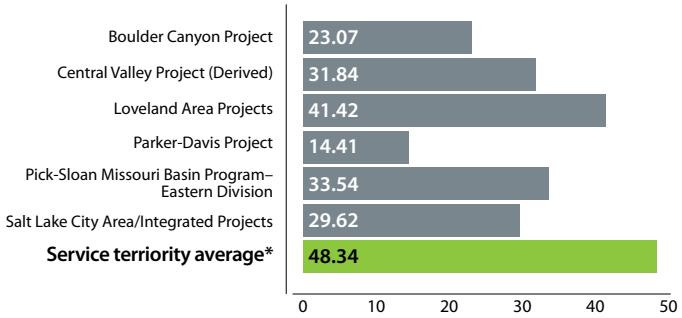
TIP does not receive annual appropriations and is financially and functionally separate from Western's power marketing mission. TIP labor is charged directly to project developers.

For more information on TIP, visit **http://ww2.wapa.gov/sites/western/transmission/tip/pages/default.aspx**.

State of the Regions

Western markets and delivers at-cost wholesale power and transmission to local utilities and others, including cities and towns, rural electric cooperatives, public utility and irrigation districts, federal and state agencies, investor-owned utilities and power marketers. These preference power customers, in turn, provide service to more than 40 million retail consumers in 15 central and Western states. Western's power marketing, transmission and related services are provided by its four regions and one management center. Because Western is a public power provider and federal agency, it offers energy and services at lower cost than average market prices, helping keep electricity bills affordable across its service territory.

Figure 6 — Wholesale energy prices comparison ($/megawatt-hour)



*Source: Intercontinental Exchange

COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER

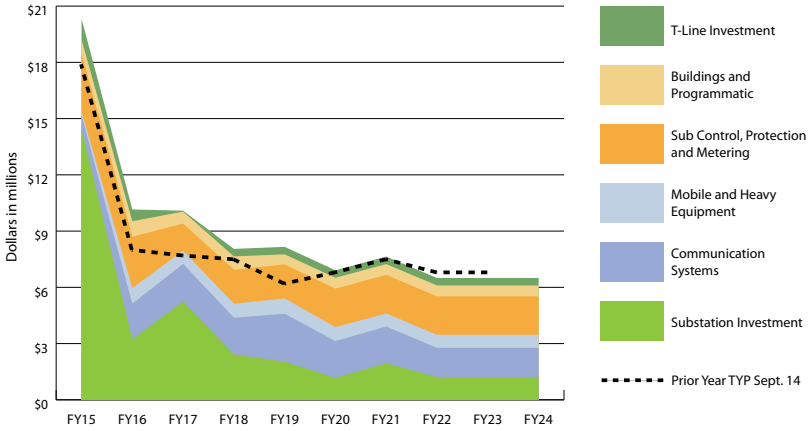
The main resources of the Colorado River Storage Project Management Center are the 11 power plants that are consolidated into a single power rate known as the Salt Lake City Area Integrated Projects, or SLCA/IP. The power system includes Glen Canyon Dam near Page, Arizona. Glen Canyon provides 76 percent of the generated energy provided to CRSP MC's 150 preference customers, a third of which are Native American tribes. CRSP MC's wholesale preference power customers distribute the clean, renewable hydropower to about five million retail consumers across a seven-state area including Nevada, Wyoming, Utah, Arizona, New Mexico, Colorado and Nebraska. CRSP MC owns more than 2,300 miles of transmission lines, 36 substations and 32 transformers.

Among other achievements in 2014, CRSP MC instituted a renewable energy certificate program that allows customers to receive credit in states' renewable portfolio standards for the more than 1,800 megawatts of renewable hydropower generated by the 11 dams.

In the area of power marketing, CRSP MC published a proposed rate order for SLCA/IP firm power and CRSP transmission and ancillary rates, which, if approved, will take effect Oct. 1 for five years. After a public comment period in early 2015, a final rate order will be submitted to the Department of Energy and Federal Energy Regulatory Commission for approval. CRSP MC will also roll out the proposed Post-2024 SLCA/IP Marketing Plan for review and comment in 2015, which will provide customers long-term assurance and stability for their hydropower allocations.

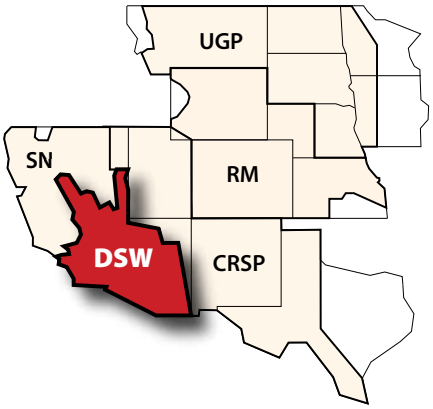
CRSP MC continues to grow and strengthen partnerships critical to success in the Colorado River Basin. In 2014, the CRSP MC focused attention on informing and educating tribes on firm electric services contracts and the economic benefits of federal hydropower allocations. Staff met with 15 tribes, some for the first time, including a collaboration to help develop a tribal solar project. CRSP MC seeks to maintain its relationships in 2015 as the Bureau of Reclamation, Western and other stakeholders critically examine drought conditions along the Colorado River and evaluate mutually beneficial operations of Glen Canyon Dam in the Long-Term Experimental and Management Plan Environmental Impact Statement. Finally, CRSP MC and the Bureau of Reclamation will continue to pursue an agreement to allow Reclamation to use the same supervisory control and data acquisition for CRSP generating facilities as Western, potentially saving customers $10 million.

Figure 7 —
CRSP Ten-Year Capital Investment Plan
FY 15-24 estimates as of March 2015



DESERT SOUTHWEST

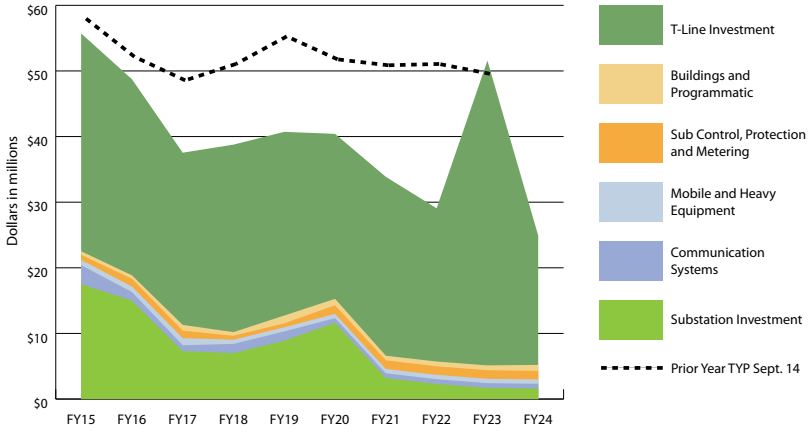
Desert Southwest markets hydroelectric power to nearly 70 municipalities, cooperatives, federal and state agencies and irrigation districts in California, Arizona and Nevada from power plants operated at Hoover, Parker and Davis dams. Power is also marketed from hydroelectric projects in the Bureau of Reclamation's Upper Colorado Region and the federal portion of power generated at Navajo Generating Station near Page, Arizona. DSW maintains 75 substations, 43 transformers and more than 2,500 miles of transmission lines to keep the system running reliably.



In December 2014, DSW announced its final allocations under the Boulder Canyon Project remarketing initiative. Starting Oct. 1, 2017, 59 new customers, 24 of which are tribes, will begin receiving low-cost, clean federal hydropower to support their energy needs for the next 50 years. The BCP remarketing effort ensures the most widespread use of the valuable hydropower resource.

DSW is currently managing an annual construction program of about $40 million to ensure the proper investments are made today to keep the system reliable in the future. In 2014, DSW energized seven of 23 active capital construction projects, improving transmission system reliability and sustainability. Two of those projects include replacing 27 miles of wood H-frame structures with steel monopoles between Davis Substation and the Kingman Tap, and energizing a new 345/230-kilovolt transformer at Liberty Substation, which replaced a vintage 1964 transformer.

Figure 8 —
DSW Ten-Year Capital Investment Plan
FY 15-24 estimates as of March 2015

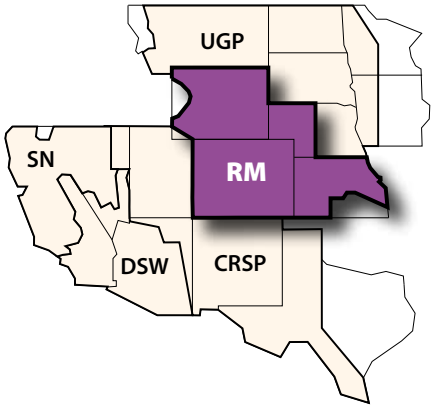


Under Western's Transmission Infrastructure Program, DSW put the Electrical District No. 5-to-Palo Verde Hub Project into commercial service in January 2015. This project, completed on time and under budget, extends Western's system to the Palo Verde market hub, uprates the transmission between ED5 and Test Track substations, facilitates the development of renewables and serves increased demand in the area.

In September 2014, DSW issued a request for proposals on behalf of the U.S. Navy to seek long-term renewable energy purchases for 14 naval stations in southern California. Through an interagency agreement, Western will help the Navy incorporate 1 gigawatt of renewables into its energy portfolio, provide a secure energy future and reduce the federal government's carbon footprint. Once a contract is awarded in 2015, it will be the largest single purchase of renewable energy by a Department of Defense entity. Other federal entities have expressed interest in using this same approach.

DSW staff also excelled in safe practices and environments, a habit the region is committed to continuing in 2015. As of December 2014, DSW exceeded 1,480 consecutive work days, or more than four consecutive years, with no lost time work accidents. This represents more than 2.5 million hours worked by DSW employees without a lost time work accident.

ROCKY MOUNTAIN



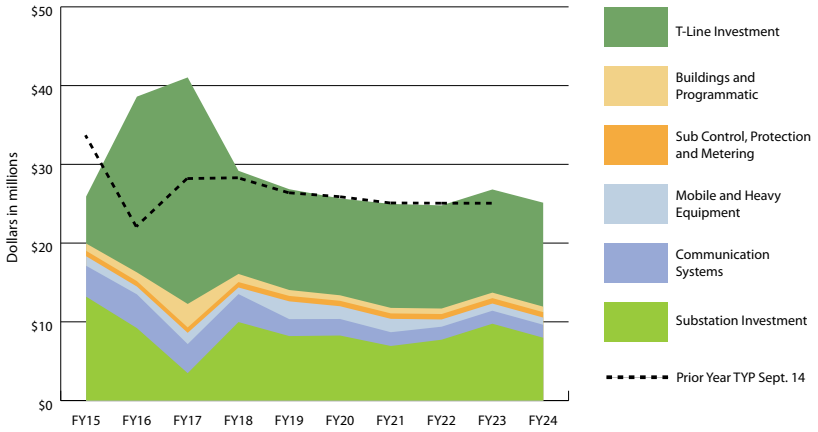
Rocky Mountain serves about 40 preference customers in Colorado, Wyoming, Nebraska and Kansas. It sells more than 2.3 million megawatt-hours of power generated at 19 hydroelectric plants in the Loveland Area Projects, which combines the Fryingpan-Arkansas Project and the Pick-Sloan Missouri Basin Program—Western Division.

RM reliably delivers federal and nonfederal power through more than 3,300 miles of transmission lines, 73 transformers and 79 substations. The system includes the 200-megawatt Virginia Smith AC-DC converter station near Sidney, Nebraska, that transfers power between the eastern and western power grids. Because reliability is essential to superior customer service, RM dedicates more than half of its workforce to system maintenance.

During 2014, RM substantially completed multiple joint projects including Terry Ranch Road Substation, Kersey West Switchyard, Buffalo Head Switchyard, Poncha Stage 02, Bucknum Tap, Hayden Stage 05 and the Archer-to-Stegall optical ground wire project. These projects relate directly to Western's Strategic Roadmap 2024 by leveraging industry partnerships to

support load growth and advance energy infrastructure while also improving the ability to reliably market power and transmission-related services. Installing fiber optic cable throughout the communication backbone and energy infrastructure not only gives Western the inherent benefits of increased bandwidth and reduced maintenance costs, but also supports Western's Roadmap by increasing RM's ability to provide security-related services.

Figure 9 —
RM Ten-Year Capital Investment Plan
FY 15-24 estimates as of March 2015

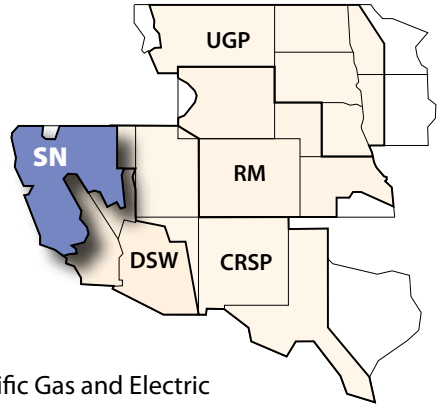


RM continued to advance its Asset Management program in 2014 by hiring an AM specialist and integrating formal AM practices into the 10-year capital planning process. RM has already experienced first-hand benefits of AM in that the data supported pursuing and funding two projects scheduled for Fiscal Year 2017. Under AM, RM completed several communications building assessments that will be used to prioritize replacements and funding. RM will continue to strengthen AM in 2015, including using data for maintenance activities and in support of the capital planning process.

RM plans to start or complete several projects in 2015 such as Goshen Stage 01, Shiprock Stage 07, Poudre Stage 06 and Waterflow Stage 02 and will also add more than 200 miles fiber optic communications.

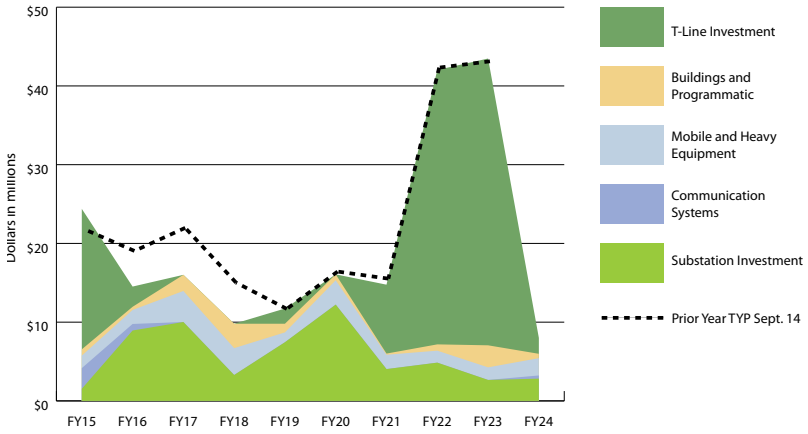
SIERRA NEVADA

Sierra Nevada markets surplus hydroelectric power generated from the Bureau of Reclamation's Central Valley Project to 76 preference power customers in California, including municipal public power utilities, irrigation districts, federal and state entities, Native American tribes and rural electric cooperatives. In addition, power generated on a seasonal basis is marketed from Stampede Dam of the Washoe Project. SN operates and maintains a safe and reliable transmission system of 22 substations and transformers and more than 900 miles of transmission line.



In 2014, SN successfully negotiated a settlement agreement with the Pacific Gas and Electric Company that will allow up to five new 2015 Resource Pool federal end-use customers residing on the PG&E transmission system to begin receiving base resource energy deliveries in 2015. SN reduced its annual power revenue requirements by $5 million in 2014, demonstrating the region's responsiveness to changes in industry and needs of customers. SN Power Operations and Power Marketing staff coordinated with customers and other affected parties to ensure that SN's scheduling rights and other business practices were appropriately updated and consistent with the California Independent System Operator's upgrade of its new full network model and energy imbalance initiative.

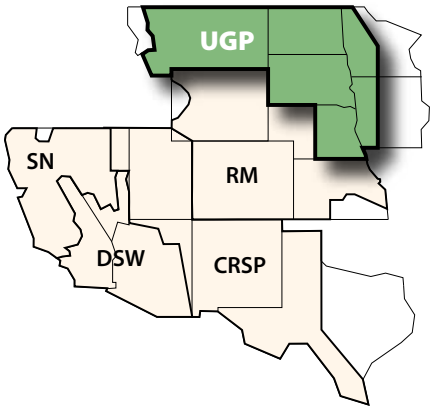
Figure 10 —
SN Ten-Year Capital Investment Plan
FY 15-24 estimates as of March 2015



As a result of new legislation, SN Power Marketing staff now has the authority to purchase and sell emission credits, required by law to import power into California from other states. This authority allows SN to continue to serve full load service customers. In 2014, SN worked to develop the appropriate new business practices for purchasing and selling these emission credits.

SN also participated in an industry peer review of its critical business practices in June 2014, identifying areas of improvement to be implemented in the coming years. Finally, SN completed numerous construction projects including the Tracy Double Bus Double Breaker project to modernize the existing substation and improve reliability; the Elverta Maintenance Facility Improvements project to expand and modernize the facility; two fiber projects to improve communication among maintenance crews; and a new alternate control center at Elverta to ensure continuity of business operations. Timely and successful completion of these projects, and others, ensure SN facilities will continue to be operated safely and reliably in 2015 and beyond.

UPPER GREAT PLAINS

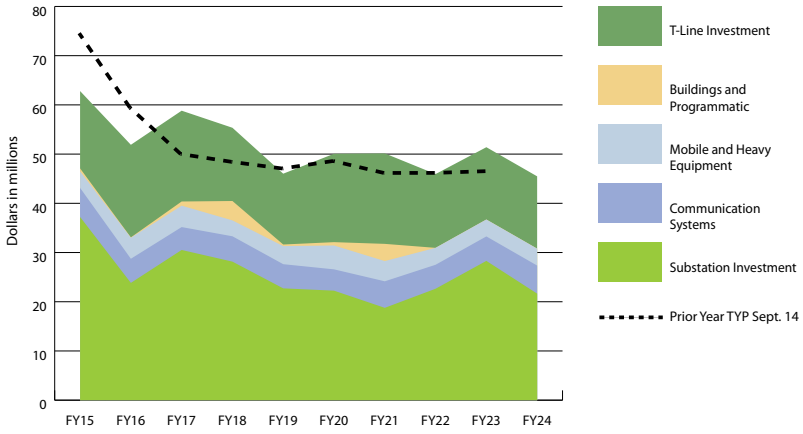


Upper Great Plains markets more than 9 million megawatt-hours generated at eight dams and power plants in the Pick-Sloan Missouri Basin Program—Eastern Division to more than 360 preference customers in Montana, North Dakota, South Dakota, Nebraska, Iowa and Minnesota. UGP delivers this hydropower, enough to serve more than 3 million households, through more than 100 substations with 126 transformers and across 7,800 miles of federal power lines in its 378,000 square-mile service territory. UGP's preference customers include rural electric cooperatives, cities and towns, public utility districts, irrigation districts, state and federal agencies and Native American tribes.

During 2014, UGP safely maintained and operated the system with no cascading outages. UGP's safety record in terms of lost time was 40 percent below the industry average, and the total recordable case rate was 10 percent below industry average. Most importantly, this past year each and every evening all UGP employees have been able to go home to their families and friends.

Following completion of the Pick-Sloan 2021 Power Marketing Initiative, UGP staff met with firm power customers and negotiated the framework for new contracts. As of Dec. 4, 2014, UGP offered 211 firm electric service contracts to preference customers with 181 of those contracts executed. In addition, UGP completed 10 interconnection agreements and nine consolidated facilities arrangement contracts. These contracts serve as the template for about 66 remaining preference customers that require these agreements in 2015. Once completed, these contracts ensure power delivery to Pick-Sloan customers for the next 30 years, providing preference customers long-term stability and assurance.

Figure 11 —
UGP Ten-Year Capital Investment Plan
FY 15-24 estimates as of March 2015



The Programmatic Environmental Impact Statement for wind energy, with the accompanying record of decision, is slated for completion in 2015. With this EIS, environmental reviews of wind farm interconnection requests will be more consistent, standardized and streamlined than the current multiyear process, saving project proponents, Western and Western's customers both time and funds.

Finally, on July 9, 2014, Western's Administrator and Chief Executive Officer approved and directed UGP to take the necessary actions to join the Southwest Power Pool, a regional transmission organization. For the first time, a Western region will join an RTO. The decision was made after years of studies by UGP and other members of the Integrated System. These studies identified the option to join SPP as having the most benefit and the least risk to UGP, the IS partners and their customers. UGP will continue to work toward becoming an active member of SPP by Oct. 1.

Conclusion

For nearly 38 years, Western employees have been dedicated to public service, at-cost hydropower and ensuring the transmission system continues to be ready and available to meet the needs of those we serve.

Western wants to continue this record of success, trustworthiness and reliability for a new generation of Americans. There is much change impacting Western and its customers, and Western strives to maneuver itself through these changes to continue to deliver on its mission, manage resources effectively and operate safely, securely and reliably. By looking at Strategic Roadmap 2024, Asset Management, Sustainable Funding and Human Capital Management, Western creates a big picture of critical assets that need to make the journey to the future together to ensure the success of Western. Western looks forward to making this journey with its customers and employees as it powers the energy frontier for generations to come.

"It is time for Western and our customers to focus our attention on the big rocks—those events and trends that could, and will, fundamentally change the way power is marketed and transmitted. We need to not only recognize the changes, opportunities and challenges happening around us, but also discuss how we will react and adapt to them to continue to provide reliable, affordable electric service for millions of Americans in a new energy frontier."

—Mark Gabriel, Administrator and CEO

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