**Department of Energy**
Western Area Power Administration
150 East Social Hall Avenue, Suite 300
Salt Lake City, UT 84111-1580

AUG 27 2014

Sent Via E-mail

Dear CRSP Transmission Customer:

Western has recently finished its yearly recalculation of the CRSP firm transmission rate. This letter is serving as official notification of the rate change. The firm point-to-point transmission rate is applicable to existing transmission contracts and future transmission service agreements.

As provided in Rate Schedule SP-PTP7 for firm point-to-point transmission, based on the FY 2013 audited financial data, this year's recalculation results in a rate of **$1.11/kWmonth**, which is a reduction from last year. This rate will be effective October 1, 2014, through September 30, 2015.

The formula for computing the rate is Annual Revenue Requirements (ARR) minus Transmission Revenue Credits (TRC) equals Net Annual Transmission Revenue Requirements (NARR). The NARR is then divided by CRSP Transmission System Total Load (TSTL).

ARR - TRC = NARR; NARR / TSTL = Rate

Please note that a change in the firm point-to-point rate also affects Rate Schedule SP-NFT6 for non-firm point-to-point transmission service. Although non-firm transmission is sold at negotiated rates, the rate is never higher than the current firm point-to-point rate.

Rate Schedule SP-NW3 for network transmission service also provides for a yearly recalculation. The network transmission service charge is the product of the network customer's load ratio share times one-twelfth of the total net annual transmission revenue requirements, which is the same revenue requirements used in the firm point-to-point transmission service calculation. The network service charge will reflect these updated revenue requirements.

If you have any questions concerning the recalculated rate schedules, please telephone Jacob Streeper at (801) 524-3526.

Sincerely,

Rodney G. Bailey
Power Marketing Manager

Enclosure