



United States Department of the Interior

OFFICE OF THE SECRETARY
Central Utah Project Completion Act Office
302 East 1860 South
Provo, UT 84606-7317

JAN 10 2018

CA-1200
PRJ-15.00/2.2.4.21

Mr. Steve Johnson
Senior CRSP Manager
Colorado River Storage Project Management Center
Western Area Power Administration
299 South Main Street, Suite 200
Salt Lake City, Utah 84111

Subject: Comments on WAPA's Rate Setting Process for the Olmsted Powerplant – Section 208 –
Public Law 102-575 – Central Utah Project Completion Act

Dear Mr. Johnson:

We appreciate the opportunity to comment on Western's Rate Setting Process for the Olmsted Powerplant. The Olmsted Hydroelectric Powerplant Replacement Project is an integral piece of the Municipal and Industrial (M&I) System of the Bonneville Unit of the Central Utah Project (CUP), for which we have Federal oversight responsibility.

In the public information meeting held on November 17, 2017, in your office, a suggestion was made that if project funding were to be appropriated through Section 8 of the Colorado River Storage Project Act (CRSPA) for the proposed restoration work associated with the existing powerplant, such funding would be non-reimbursable and non-returnable, and thus lessen the payment obligation of the rate payers.

Under the Bureau of Reclamation, the authorized ceiling for the M&I System was fully utilized, subsequently the Olmsted Project is not authorized for additional construction appropriations. In accordance with CRSPA, as reflected in agreements among Department of the Interior, Western and Central Utah Water Conservancy District, long term extraordinary operation, maintenance and replacement costs of the Olmsted Project are appropriately drawn from the CRSP 5(c) account attributable to the CUP. We anticipate the 5(c) funds would thus provide a source of capital for the Olmsted Project.

We appreciate the opportunity to comment on Western's Proposed 2018 Power Marketing Plan. If you have any questions, please contact Mr. Lee Baxter at 801-379-1174.

Sincerely,

Reed R. Murray
Program Director

cc: Mr. Mark Holden
Executive Director
Utah Reclamation Mitigation
and Conservation Commission
230 South 500 East, Suite 230
Salt Lake City, Utah 84102

Chris Hansen, P.E.
CUPCA Program Manager
Central Utah Water Conservancy District
355 West University Parkway
Orem, Utah 84058-7303

Dave Pitcher, P.E.
Assistant General Manager
Central Utah Water Conservancy District
355 West University Parkway
Orem, Utah 84058-7303