



**CREDA**  
**Colorado River Energy Distributors Association**

**ARIZONA**

Arizona Municipal Power Users Association

Arizona Power Authority

Arizona Power Pooling Association

Irrigation and Electrical Districts Association

Navajo Tribal Utility Authority (also New Mexico, Utah)

Salt River Project

**COLORADO**

Colorado Springs Utilities

Intermountain Rural Electric Association

Platte River Power Authority

Tri-State Generation & Transmission Association, Inc. (also Nebraska, Wyoming, New Mexico)

Yampa Valley Electric Association, Inc.

**NEBRASKA**

Municipal Energy Agency of Nebraska (also Colorado)

**NEVADA**

Colorado River Commission of Nevada

Silver State Energy Association

**NEW MEXICO**

Farmington Electric Utility System

Los Alamos County

City of Truth or Consequences

**UTAH**

City of Provo

City of St. George

South Utah Valley Electric Service District

Utah Associated Municipal Power Systems

Utah Municipal Power Agency

**WYOMING**

Wyoming Municipal Power Agency

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January 9, 2018

Mr. Steve Johnson  
 Senior VP and CRSP Manager  
 CRSP Management Center  
 Western Area Power Administration  
 Via email only: [johnsons@wapa.gov](mailto:johnsons@wapa.gov)

RE: PROPOSED OLMSTED PROJECT RATE ORDER – WAPA-177

Dear Mr. Johnson:

In accordance with the comment period outlined in 82 FR 47506 (October 12, 2017), CREDA offers the following comments for WAPA's consideration.

CREDA appreciates the information provided by WAPA at the November 17, 2017 public information and comment forums, as well as supplementary information posted on the WAPA website at <https://www.wapa.gov/regions/CRSP/rates/Pages/rate-order-177.aspx>. CREDA incorporates herein by reference comments submitted for the record during the Marketing Plan process (February 24, 2017). In addition, as some CREDA members may have applied for allocations from the Project, CREDA will not be commenting on procedures and details associated with the allocation process.

**PROJECT PLANNING/IMPLEMENTATION**

CREDA notes that estimated Project cost information was updated following the information/comment forum, and suggests that all attendees at the forum(s) be notified of the availability of updated and additional information. As is done with some federal projects, it may be useful to create a listserver that could be used to notify appropriate parties as to updated or new information regarding the Olmsted Project.

The Olmsted Rate Brochure includes information regarding annual customer meetings to be scheduled to review cost information for the prior and upcoming year(s). *CREDA requests notification of and inclusion in these meetings, given a nexus with Agreement No. 92-SLC-0208, dated September 24, 1992.* Given the successful customer/agency partnership model of this Agreement, CREDA suggests that WAPA, Reclamation and the CUWCD consider a similar process/agreement with the ultimate allottees of the Project, as a complement to Implementation Agreement (Contract WS15-100).

**RATE COMPONENTS**

- a) The proposed Olmsted Rate is a formula rate that includes WAPA O&M as one of the formula inputs. At the November 17 forums, a question was asked as to whether the WAPA O&M rate component includes appropriate overhead/loading costs to ensure there is no subsidy between other WAPA projects or customers and the Olmsted Project. The Rate Brochure at page 11 identifies only "GWA" and "Marketing" as

WAPA's expense components included in the rate. It is CREDA's understanding that "GWA" has been or will soon be eliminated as a separate expense item in WAPA work plans. *Please specify in the final Rate Order the specific rate elements (by definition or clarification of this information and in response to the question asked at the forum (see Information Forum Transcript at page 15, lines 1-14).* Note also that there is a reference at page 23 of the same Transcript to potential integration of this Project into the CRSP Project in the future. CREDA's position is that the Olmsted Project should be a stand-alone project and costs should not be intermingled with the CRSP Project. CREDA reserves the right to comment further pending review of the final Rate Order.

- b) CREDA appreciates the detailed information available through Table A and other information posted on WAPA's website. The Exhibits contained in the Implementation Agreement are sufficiently detailed with regard to the Power Plant facilities. However, in reviewing the cost information in the materials, CREDA has some questions regarding "museum" costs, as referenced in the Information Forum transcript at page 9. Assuming that these costs are all or part of the \$837,670 o&m costs shown in Table 1, as "upgrade costs of the historic plant that will be preserved and maintained as a museum", (i) please identify how much of the \$837,670 is associated with the museum, as well as the funding source for that work; have non-reimbursable appropriations been or could be requested/obtained?; (ii) please provide a project justification/RAX form that includes details of that work; (iii) what is the specific requirement(s) for *preservation*?; (iv) what is the legal authority for including the costs as o&m?; (v) could the costs be capitalized and then expensed over a longer period of time than 3 years?; (vi) what is the intent regarding use of the facility as a museum? Given its location, is it intended to be accessible by the public?

CREDA is available to discuss these comments at your convenience. Thank you for the opportunity to provide comment.

Sincerely,

*Leslie James*

Leslie James  
Executive Director

Cc: CREDA Board  
Email: CRSPMC-rate-adj@wapa.gov



