



St. George

THE BRIGHTER SIDE

April 20 2020

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

Via Email: johnsons@wapa.gov;

Dear Mr. Johnson:

The City of St. George Energy Services Department (SGESD) is a not for profit, municipal utility, providing service to over 30,000 metered customers both residential and commercial. A portion of the energy resources for the City is from the Colorado River Storage Project (CRSP).

SGESD is a member of the Colorado River Energy Distributors Association (CREDA) and has worked with CREDA and CREDA member agencies to submit comments regarding the Salt Lake City Area/Integrated Projects Firm Power Rate and CRSP Transmission and Ancillary Services Rates (Rate Action WAPA-190).

In addition to **supporting comments submitted by CREDA**, SGESD would like to submit the following comments.

PURCHASED POWER COMPONENT: WAPA has proposed a revised methodology to develop and incorporate purchased power expenses into the power repayment study. SGESD supports this methodology and revisions as they are described in 3/11/2020 Rate Brochure.

COST RECOVERY CHANGE (CRC) REVISIONS: SGESD feels that the CRC Revision revision needs more discussion between WAPA and its customers to better understand what it entails.

TRANSMISSION SERVICE RATES: Rather than increasing the transmission service rate during this rate case, SGESD recommends WAPA consult with its customers at the time the of a proposed change rather than offsetting transmission revenues at this time.

Sincerely,

Laurie Mangum
Director, St. George Energy Services Department

CITY OF ST. GEORGE



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

Holy Cross Energy

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 Power Association

NEW MEXICO

Farmington Electric Utility System

Los Alamos County

Tri-State Generation & Transmission
Cooperative

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

Leslie James

Executive Director

CREDA
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Via Email: johnsons@wapa.gov; CRSPMC-RATE-ADJ@WAPA.GOV

Dear Mr. Johnson:

Following are comments on the Salt Lake City Area Integrated Projects Firm Power Rate and CRSP Transmission and Ancillary Services Rates (Rate action WAPA-190) (85 FRN No. 13, January 21, 2020 – WAPA-190), submitted by the Colorado River Energy Distributors Association (CREDA).

CREDA appreciates the opportunity we have to work with WAPA through rate, resource and work plan processes, in order to achieve CREDA's mission "To preserve and enhance the availability, affordability, and value of Colorado River Storage Project (CRSP) facilities while promoting responsible stewardship of the Colorado River System." CREDA offers the enclosed comments and recommendations related to WAPA-190 and looks forward to working with WAPA through its completion and implementation.

Please do not hesitate to contact me with any questions.

Sincerely,

Leslie James

Leslie James
Executive Director

Cc: CREDA Board
Thomas Hackett - WAPA

WESTERN AREA POWER ADMINISTRATION (WAPA) -
SALT LAKE CITY AREA/INTEGRATED PROJECTS FIRM POWER RATE
AND CRSP TRANSMISSION AND ANCILLARY SERVICES RATES (RATE ACTION WAPA-190)

COMMENTS OF THE
COLORADO RIVER ENERGY DISTRIBUTORS ASSOCIATION (CREDA)
SUBMITTED APRIL 20, 2020

The comments presented herein are in response to the proposed adjustments to the firm electric service, transmission and ancillary service rates of the Salt Lake City Area Integrated Projects, which consist of the Collbran, Rio Grande and Colorado River Storage Projects.^{1/} The Integrated Projects are referred to herein as "CRSP".

The Colorado River Energy Distributors Association (CREDA) is a non-profit organization comprised of electric utility systems and agencies, which in total purchase approximately 85% of the firm power from the CRSP. CREDA members serve over 4.1 million consumers in six western states. CREDA appreciates the willingness of WAPA and the Bureau of Reclamation (Reclamation) to work with CREDA and its members during the rate process and through the process referred to as the "work program review" process. We believe through this process as set forth in the 1992 work program review agreement (Contract No. 92-SLC-0208 as supplemented)^{2/}, CREDA and the agencies have successfully avoided and mitigated previous rate adjustments. CREDA encourages the agencies to be flexible throughout this process and appreciates consideration of the following comments. These comments supplement the verbal questions and comments offered at the March 12, 2020 Information and Comment Forums.

As a general comment, CREDA appreciates the level of detail and description contained in the January 2020 and March 2020 Brochures for Proposed Rates (Rate Brochure). CREDA also appreciates WAPA's posting these materials, along with the Supporting Documentation, on WAPA's website. As the March 2020 Brochure was made available the evening before the Comment Forum, CREDA has chosen to accompany the below narrative comments with a redline version of the Brochure identifying suggested specific editorial revisions to the Brochure.

The CRSP is unique when compared to other WAPA projects. The nature of the Upper Colorado River Basin Fund (revolving fund), the Colorado River Basin drought, the environmental programs associated with the CRSP, and the challenges associated with work program review of three WAPA area offices and corporate headquarters provide both obstacles and opportunities for Reclamation, WAPA, and the customers. CREDA appreciates the extent to which the CRSP Management Center has engaged in meaningful dialogue with its customers to address drought and financial impacts to the CRSP Basin Fund as well as the power repayment study. This office's willingness to entertain suggestions and collaborate with CREDA in the development of alternatives which mitigate significant rate increases indicates a true desire to implement the lowest possible rate, consistent with sound business principles, on a regional basis and with a project specific focus. A significant challenge to this collaborative process has been utilization of a WAPA-wide power repayment study. Prior to and since its development and implementation, CREDA has expressed concern about the replacement of project-specific modeling tools with a WAPA-wide product. Since establishment of the 1992 work program review agreement, CREDA devoted significant time and expense to understand and work with the CRSP power repayment study, with an objective of meaningful rate collaboration with WAPA. CREDA's inability to independently model rate scenarios with the Planner Dash element of the WAPA-wide power repayment study has not performed as anticipated and has affected WAPA and CREDA's collaborative efforts toward the lowest possible rate.

Consistent with the topics presented in the WAPA-190 Rate Brochure and at the Information and Comment Forum, CREDA offers the following comments and recommendations and requests that they be considered and addressed in the ensuing rate order. Following the comments provided by topic, CREDA offers questions following review of the supplemental rate case information provided/posted on April 16, 2020.

- I. **PURCHASED POWER COMPONENT:** WAPA has proposed a revised methodology to develop and incorporate purchased power expenses into the power repayment study. This methodology takes into consideration more

^{1/} Notices published in the Federal Register, Volume 85 No. 13, January 21, 2020

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informed forecasting and modeling tools, and CREDA believes results in a more accurate estimation of purchased power impacts. Purchased power discussions are always a major discussion point among WAPA and its customers. As a result of the proposed new methodology, WAPA would utilize Reclamation's April 24-month study for the current year, and Reclamation's August CRSS traces for the next four years of the rate study. In addition, WAPA would remove \$4 million from each of the remaining out years. **CREDA supports WAPA's methodology and revisions as described in the 3/11/2020 Rate Brochure.**

- II. **COST RECOVERY CHARGE (CRC) REVISIONS:** CREDA was involved in and supportive of the initial CRC development and concept from its inception and believes that the CRC concept has achieved the original intended objectives. The CRC was established as a mechanism to maintain a sufficient balance in the Basin Fund, as a stop gap measure in lieu of an emergency rate increase. Given the past few years' experience with drought, purchased power, and environmental experimentation impacts at CRSP facilities, CREDA understands WAPA's desire to fine-tune aspects of the CRC determination and implementation. CREDA appreciates WAPA's willingness to discuss CRC concepts and implications, particularly in the context of and given broader discussions about the future sustainability of environmental program funding by CRSP power revenues. As activities associated with Colorado River drought and interim guidelines proceed, **CREDA urges continued discussion about the future viability and implementation of the CRC concept pursuant to the provisions of the 1992 Agreement³ as supplemented, with regard to the Basin Fund, cash management and returns to Treasury are an important element of the CRC consultation and decision-making process.**
- A. As proposed, the CRC would convert from a fiscal year to calendar year cycle, using Reclamation's August 24-month study to calculate purchased power projections. **CREDA supports this revision.**
- B. The formula would also be revised to address revenue levels when a CRC is implemented and would add a net rate calculation to distinguish between the purchased power prices and the CRSP firm energy rate sales. The proposed revised CRC methodology has engendered a significant amount of discussion and questions among CREDA members and WAPA. In particular, the determination of the "lost revenue" calculation and comparison of the CRSP energy rate, which includes costs beyond just energy, to energy purchased on the market. **CREDA does not currently support this revision but encourages additional discussion between WAPA and CREDA.**
- C. The revised CRC process would reduce sustainable hydropower capacity for those customers opting for the Waiver Level to maintain each customer's existing monthly load factor percentage at the same level, while maintaining minimums. This proposal has had a significant amount of discussion and would be informed by additional discussion and review of specific examples by CREDA and WAPA. **CREDA does not currently support this revision but encourages additional discussion between WAPA and CREDA.**
- D. CREDA provided verbal comment at the 3/12/2020 Comment Forum suggesting that "Shortage Criteria" be revised to a term that would not be confused with language used in the Interim Shortage Guidelines and Surplus Criteria in place regarding Colorado River facility operations. CREDA appreciates WAPA's revision to that terminology and understands that the current 8.23MAF "trigger" results in WAPA's *consideration* of a CRC, not automatic implementation of a CRC. Associated with this trigger, and given the enhanced modeling and hydrologic capabilities, as well as establishment of the Drought Contingency Plan, **CREDA recommends WAPA consider and discuss with CREDA the potential use of a Lake Powell elevation level trigger, as opposed to an annual water volume release level, if that type of a trigger is deemed necessary.**
- III. **TRANSMISSION SERVICE RATES:** CREDA's comments will address two aspects of the Proposed Transmission Rate adjustment. First, the methodology. The rate proposal includes a change to the method used to calculate the Annual Transmission Revenue Requirement (ATRR) through "forward looking o&m" (to be consistent with the use of forward-looking capital investments (WAPA-169). In that prior rate process, CREDA did not support the proposed change in methodology. CREDA remains unconvinced that the forward-looking methodology has not resulted in additional labor expenses, nor is it clear how the forward-looking information matches up with asset management and/or work plan review data. CREDA does, however, appreciate WAPA providing the data sources utilized in the true-up process. From simply a consistency standpoint, the

³/ Ibid.

proposed change to apply “forward looking” to o&m as well as capital appears sound, as long as it is clear that the o&m data being utilized as “forward looking” is data that has been screened and reviewed through the 1992 Letter Agreement⁴ process. **CREDA does not object to the inclusion of “forward looking” methodology for o&m in the firm transmission rate methodology.** Between the FRN publication and January 2020 Rate Brochure posting, WAPA determined that a significant amount (\$5 million) of transmission contract revenues should be eliminated from the power repayment study due to the upcoming termination of a 250 MW bidirectional contract which utilizes a portion of the CRSP transmission system. It is CREDA’s understanding that this contract is being terminated prior to its original expiration date. The impact of removing the capacity load and offsetting transmission revenues results in a \$.10-kw-month increase to the CRSP transmission rate. Based on WAPA’s April 16, 2020 supplemental information, **CREDA recommends that in the event this capacity is sold, WAPA should consult with its customers on the possibility of revising the transmission rate appropriately.**

- IV. PROPOSED FIRM ELECTRIC SERVICE RATE DECREASE: CREDA was very pleased to learn at the June 2019 CRSP customer meeting that WAPA was anticipating a CRSP rate decrease. Likewise, when the FRN and January 2020 Rate Brochure were published, CREDA was pleased to see an estimated 4.25 percent composite rate decrease presented. However, the March 2020 Rate Brochure and Information Forum presented a lesser rate decrease of 1.8 percent. At the Information Forum, some of the primary “drivers” for this rate are O&M increases of WAPA (18%) and Reclamation (13%), due to the inclusion of FY2022 work program information (replacing FY2021 data in the January 2020 materials). CREDA believes that through the work program review process that just formally (and partially) began with CREDA’s receipt of WAPA’s data on March 20, 2020, FY2022 work plan information is not complete and should not be incorporated in this current rate process. This process has not yet been complete given the timeframes outlined in the 1992 Agreement⁵. CREDA believes the purpose and intent of the 1992 work program agreement and joint transmission planning principles is to promote “rate impact planning”, so there is full consideration given to potential project and rate impacts prior to decisions being made to include the costs in CRSP work program, budget and rate processes. RA6120.2 section 10.b. anticipates “decreasing costs as a method to help satisfy repayment obligations,” and views the work program process as supporting that requirement. Particularly when it appears that there is likely a 1 mill difference in the resulting rate if the *preliminary* FY2022 work program information is used, **CREDA recommends that the FY2021 WAPA and Reclamation work program information be utilized in WAPA-190.**

As a result of CREDA’s review of the revised Rate Brochure, as well as the materials presented at the Information Forum, and the April 16, 2020 posted information, CREDA recommends:

A. 14-1 PROJECT USE: Regarding footnote 4) for Provo River Delta Restoration Project, is it usual that project use power be used for fish & wildlife mitigation? If this is “in the early planning stages”, **please consider not including an increase in project use until the project is complete.**

B. NGS WATER SUPPLY CONTRACT/REVENUES: CREDA understands that approximately \$3M (representing revenue from a Reclamation water supply contract) has been removed from the PRS with the closure of the Navajo Generating Station. What is Reclamation’s expectation/assumption regarding the use of that water, and shouldn’t there be a reasonable expectation that the water WOULD be contracted for, and there would be commensurate revenues? We believe that it would be incorrect to assume that this water would not be sold in the future. **Please consider not reducing or removing the revenue associated with this water contract until Reclamation determines that this quantity of water will definitively NOT be remarketed.**

⁴/ Ibid.

⁵ /Ibid.



April 17, 2020

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

RE: WAPA-190 Rate Order

Utah Associated Municipal Power Systems (UAMPS) is a joint-action agency with 47 members in 6 western states. Our members are community-owner power systems supplying electricity to their customers. Most of our members are participants in the Colorado River Storage Project. The operation of this project and resulting energy and costs we receive are of marked importance to us.

UAMPS is a member of the Colorado River Energy Distributors Association (CREDA) and has been working in conjunction with CREDA to develop comments for this rate process. Therefore, UAMPS does not have specific comments accompanying this letter but puts our support with and behind those that will be made by CREDA for this rate process.

Sincerely,

Kelton Andersen
Manager of Power Analytics
UAMPS

STATE OF NEVADA

STEVE SISOLAK, Governor
PUOY K. PREMSRIRUT, Chairwoman
KARA J. KELLEY, Vice Chairwoman
ERIC WITKOSKI, Executive Director



JAMES B. GIBSON, Commissioner
MARILYN KIRKPATRICK, Commissioner
ALLEN J. PULIZ, Commissioner
DAN H. STEWART, Commissioner
CODY T. WINTERTON, Commissioner

**COLORADO RIVER COMMISSION
OF NEVADA**

April 20, 2020

Mr. Steven Johnson
CRSP Manager
Colorado River Storage Project Management Center
Western Area Power Administration
299 South Main Street, Suite 200
Salt Lake City, UT 84111
johnsons@wapa.gov; CRSPMC-RATE-ADJ@wapa.gov

VIA EMAIL

Dear Mr. Johnson:

The Colorado River Commission of Nevada (Commission) is an executive agency of the State of Nevada and holds in trust for the State, Nevada's apportionment of the Colorado River's water and hydropower. This trust responsibility includes contracts for power from the Salt Lake City Area Integrated Projects (SLCAIP) the Boulder Canyon Project and the Parker-Davis Projects. The Commission has been a long-time customer and partner with Western Area Power Administration (WAPA) and appreciates this opportunity to comment on the SLCAIP Firm Power Rate and CRSP Transmission and Ancillary Services Rates (Rate action WAPA-190) (85 FRN No. 13, January 21, 2020 – WAPA-190).

Please accept the following written comments for consideration:

The Commission acknowledges and appreciates the time and effort that this process requires and the responses by WAPA to the Commission and the Colorado River Energy Distributors Association (CREDA) of which the Commission is a member;

The Commission agrees with the issues and concerns raised by CREDA in their April 20, 2020 letter and would request that WAPA continue to provide feedback and information to CREDA; and

The Commission would also request that WAPA provide additional detail in the future regarding the assumptions that are utilized when calculating purchased power, including hydrology assumptions, purchased power volumes, and purchased power prices so that the Commission has a better understanding of the assumptions that went into that particular component of the rate.

The Commission looks forward to working with both WAPA and CREDA in developing the final rates and methodology under Rate action WAPA-190.

Sincerely,

A handwritten signature in blue ink that reads "Eric Witkoski". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eric Witkoski
Executive Director

cc:

Gail Bates gbates@crc.nv.gov

Christine Guerci cguerci@crc.nv.gov

Craig Pyper cpyper@crc.nv.gov

Leslie James creda@creda.cc



NMPP | MEAN | NPGA® | ACE

April 20, 2020

VIA E-MAIL

Mr. Steven Johnson
CRSP Manager
Colorado River Storage Project Management Center
Western Area Power Administration
CRSPMC-RATE-ADJ@wapa.gov

Dear Steve,

The Municipal Energy Agency of Nebraska (MEAN) appreciates the opportunity to submit comments to WAPA regarding the Proposed Salt Lake City Area Integrated Projects Firm Power Rate and Colorado River Storage Project Transmission and Ancillary Service Rates – Rate Order No. WAPA-190.

MEAN's interest correlates to our membership which includes participants with SLCA Firm Electric Service (FES) allocations as well as participants taking Network Integrated Transmission Service (NITS) through MEAN on the CRSP transmission system.

MEAN is a member of the Colorado River Energy Distributors Association (CREDA) and generally supports the comments being submitted by CREDA. Additionally, MEAN has a significant concern with the fact that WAPA can make adjustments to the rates after the close of the comment period, and thus, final rates will not be available until after the comment period ends.

MEAN is interested in following the Rate Order No. WAPA-190 as it develops and would appreciate being involved in any discussions on this topic.

Sincerely,

Robert L. Poehling

Robert L. Poehling (4/20/2020)

Robert L. Poehling
Executive Director/CEO
Municipal Energy Agency of Nebraska



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Leslie James

Executive Director

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Please do not hesitate to contact me with any questions.

Sincerely,

Leslie James

Leslie James
Executive Director

Cc: CREDA Board
Thomas Hackett - WAPA

WESTERN AREA POWER ADMINISTRATION (WAPA) -
SALT LAKE CITY AREA/INTEGRATED PROJECTS FIRM POWER RATE
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³/ Ibid.

proposed change to apply “forward looking” to o&m as well as capital appears sound, as long as it is clear that the o&m data being utilized as “forward looking” is data that has been screened and reviewed through the 1992 Letter Agreement⁴ process. **CREDA does not object to the inclusion of “forward looking” methodology for o&m in the firm transmission rate methodology.** Between the FRN publication and January 2020 Rate Brochure posting, WAPA determined that a significant amount (\$5 million) of transmission contract revenues should be eliminated from the power repayment study due to the upcoming termination of a 250 MW bidirectional contract which utilizes a portion of the CRSP transmission system. It is CREDA’s understanding that this contract is being terminated prior to its original expiration date. The impact of removing the capacity load and offsetting transmission revenues results in a \$.10-kw-month increase to the CRSP transmission rate. Based on WAPA’s April 16, 2020 supplemental information, **CREDA recommends that in the event this capacity is sold, WAPA should consult with its customers on the possibility of revising the transmission rate appropriately.**

- IV. PROPOSED FIRM ELECTRIC SERVICE RATE DECREASE: CREDA was very pleased to learn at the June 2019 CRSP customer meeting that WAPA was anticipating a CRSP rate decrease. Likewise, when the FRN and January 2020 Rate Brochure were published, CREDA was pleased to see an estimated 4.25 percent composite rate decrease presented. However, the March 2020 Rate Brochure and Information Forum presented a lesser rate decrease of 1.8 percent. At the Information Forum, some of the primary “drivers” for this rate are O&M increases of WAPA (18%) and Reclamation (13%), due to the inclusion of FY2022 work program information (replacing FY2021 data in the January 2020 materials). CREDA believes that through the work program review process that just formally (and partially) began with CREDA’s receipt of WAPA’s data on March 20, 2020, FY2022 work plan information is not complete and should not be incorporated in this current rate process. This process has not yet been complete given the timeframes outlined in the 1992 Agreement⁵. CREDA believes the purpose and intent of the 1992 work program agreement and joint transmission planning principles is to promote “rate impact planning”, so there is full consideration given to potential project and rate impacts prior to decisions being made to include the costs in CRSP work program, budget and rate processes. RA6120.2 section 10.b. anticipates “decreasing costs as a method to help satisfy repayment obligations,” and views the work program process as supporting that requirement. Particularly when it appears that there is likely a 1 mill difference in the resulting rate if the *preliminary* FY2022 work program information is used, **CREDA recommends that the FY2021 WAPA and Reclamation work program information be utilized in WAPA-190.**

As a result of CREDA’s review of the revised Rate Brochure, as well as the materials presented at the Information Forum, and the April 16, 2020 posted information, CREDA recommends:

A. 14-1 PROJECT USE: Regarding footnote 4) for Provo River Delta Restoration Project, is it usual that project use power be used for fish & wildlife mitigation? If this is “in the early planning stages”, **please consider not including an increase in project use until the project is complete.**

B. NGS WATER SUPPLY CONTRACT/REVENUES: CREDA understands that approximately \$3M (representing revenue from a Reclamation water supply contract) has been removed from the PRS with the closure of the Navajo Generating Station. What is Reclamation’s expectation/assumption regarding the use of that water, and shouldn’t there be a reasonable expectation that the water WOULD be contracted for, and there would be commensurate revenues? We believe that it would be incorrect to assume that this water would not be sold in the future. **Please consider not reducing or removing the revenue associated with this water contract until Reclamation determines that this quantity of water will definitively NOT be remarketed.**

⁴/ Ibid.

⁵ /Ibid.



TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

1100 W. 116TH AVENUE • P.O. BOX 33695 • DENVER, COLORADO 80233 • 303-452-6111

April 20, 2020

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

Via Email: Johnsons@wapa.gov; CRSPMC-RATE-ADJ@WAPA.GOV

Dear Mr. Johnson:

Tri-State Generation and Transmission Association, Inc. ("Tri-State") appreciates the opportunity to comment on the Salt Lake City Area Integrated Projects Firm Power Rate and CRSP Transmission and Ancillary Services Rates (Rate action WAPA-190) (85 FRN No. 13, January 21, 2020 – WAPA-190).

Tri-State thanks WAPA for its willingness to collaborate through rate, resource and work plan processes, in order to assist us in maintaining reasonable rates for our members located throughout our Member service territory.

Tri-State would like to reiterate and support of CREDA's comments provided to WAPA April 20, 2020 regarding the proposed adjustments to the firm electric service, transmission and ancillary service rates of the Salt Lake City Area Integrated Projects, effective October 1, 2020. Tri-State would like to encourage WAPA to consider and adopt CREDA's comments, and Tri-State's support of CREDA's comments as they relate to the Purchased Power Component, Transmission and Ancillary Service Rates, Proposed Firm Electric Service Rate Adjustment and Cost Recovery Charge Revisions, beginning October 1, 2020.

Please contact me at 303-452-6111 if you would like to discuss in more detail in this regard.

Sincerely,

/s/ Rob Wolaver

Rob Wolaver

Senior Manager, Energy Resources

cc: Thaine Michie
Brad Nebergall
Duane Helderlein
Leslie James (CREDA)

WAPA CRSP Rate Proposal (FRN dated January 21, 2020)

The Arizona Tribal Energy Association (ATEA) provides the following comments on the WAPA CRSP rate proposal, as set out in the agency’s January 21, 2020 Federal Register Notice.

ATEA supports the rate proposal as set out in that notice. ATEA now understands, however, that at its March 12, 2020 meeting to take comment on the rate proposal, WAPA proposed a higher rate than what it published in January due to revising its calculation of the published rate. It is also ATEA’s understanding that there was and remains no intention of WAPA to republish to correct its January rate notice to conform to the rate it announced thereafter.

ATEA provides the following comments in that regard:

- ATEA acknowledges the potential delay that could result from a new FRN action; and
- ATEA nevertheless rejects any use of the January 2020 FRN as a “rate methodology” notice only; and
- ATEA maintains that Western must publish new rates in accordance with applicable requirements and historic practices, despite its request to consider this rate notice as only notice of a “methodology;” and
- ATEA nevertheless favors republication to formally correct the error and set the new rate with clarity and as consistent with all prior WAPA practices that involve rate setting actions; and
- ATEA considers that the value assigned to the BOR water pricing should remain in the rate; and
- ATEA believes Western should be using the FY2021 Work Plan, which has been reviewed by the customers in accordance with the 92 Agreement, rather than the FY2022 Work Plan which has not been reviewed as provided in accordance with the 92 Agreement; and
- There is also some question of the participating projects update forecast as only available in the summer 2020 as potentially pertinent to cost savings in the rate; and
- Given the rate errors only being announced approximately two months after the FRN publication, considering disruptions resulting from COVID restrictions and their associated challenges across the CRSP customer base, and also Western’s release of its rate-related Q&A detail less than two business days prior to the FRN comment deadline, ATEA requests at least two months of additional time to evaluate the changed rate being sought.

	Current	FRN	March, 2020
Energy (mills/kWh):	12.19	11.79*	12.06*
Capacity (kW/month):	5.18	5.01*	5.12*
Composite Rate (mills/kWh):	29.42	28.17*	28.88*