



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

MAR 03 2016

Sent Via E-mail

Dear SLCA/IP Customer:

This letter is to inform you of the seasonal update for the Western Replacement Power (WRP) and Customer Displacement Power (CDP) administrative charges for the FY 2016 Summer Season.

Based upon a 5-year Summer Season average of WRP and CDP administrative costs, Western will apply the following charges for the FY 2016 Summer Season:

WRP Day-Ahead and Monthly charge will be 0.23 mills/kWh.
WRP Real-Time charge will be 0.54 mills/kWh.
CDP administrative charge will be 0.07 mills/kWh.
CDP administrative charge per schedule adjustment will be \$4.61.

The charges will be effective April 1, 2016, through September 30, 2016. Western will provide an update of the WRP and CDP administrative charges for the FY 2017 Winter Season that become effective October 1, 2016, prior to the beginning of the season.

Summary tables of the FY 2016 Summer Season administrative charges are enclosed. If you have any questions, please telephone Tony Henriquez at (801) 524-6388 or e-mail thenriquez@wapa.gov.

For Tribal customers who executed a benefit-crediting agreement, this letter is mainly for informational purposes. The utility receiving the hydropower allocation on your behalf received a copy of this letter and should make note of the above update.

Please note: If you do not use WRP/CDP, these charges are not applicable to you.

Sincerely,

A handwritten signature in black ink, appearing to read "Rodney Bailey".

Rodney Bailey
Vice President of Power Marketing
CRSP Management Center

Enclosures

WRP Monthly & Day-Ahead Administrative Charge Determination

Cost per kilowatt hour of WRP purchased:

Summer Season 2016 Monthly & Day-Ahead			
	Actual Cost/Unit	Actual Units	Actual Total Cost
Resources / Pre/Post-Scheduling/Accounting (number of hours)	\$ 63.95	243	\$ 15,538.73
Scheduling (number of transactions)	\$ 18.42	2373	\$ 43,718.99
Total Cost			\$ 59,257.72
	Purchase WRP kWh	256,439,986	
	Hydro WRP kWh	-	
	Total kWh	256,439,986	0.23 mills/kWh

**Summer Season 2015
Monthly & Day-Ahead**

	Actual Cost/Unit	Actual Units	Actual Total Cost
Resources / Pre/Post-Scheduling/Accounting (number of hours)	\$ 62.32	222	\$ 13,835.08
Scheduling (number of transactions)	\$ 18.16	4164	\$ 75,602.56
Total Cost			\$ 89,437.63
	Purchase WRP kWh	284,004,661	
	Hydro WRP kWh	-	
	Total kWh	284,004,661	0.31 mills/kWh

WRP Real-Time Administrative Charge Determination

Cost per kilowatt hour of WRP purchased:

Summer Season 2016 Real-Time			
	Actual Cost/Unit	Actual Units	Actual Total Cost
Resources / Pre/Post-Scheduling/Accounting (number of hours)	\$ 65.44	58.5	\$ 3,828.19
Scheduling (number of transactions)	\$ 18.42	3925	\$ 72,312.27
Total Cost			\$ 76,140.46
	Purchase WRP kWh	140,972,400	
	Hydro WRP kWh	-	
	Total kWh	140,972,400	0.54 mills/kWh

**Summer Season 2015
Real-Time**

	Actual Cost/Unit	Actual Units	Actual Total Cost
Resources / Pre/Post-Scheduling/Accounting (number of hours)	\$ 61.84	54	\$ 3,339.25
Scheduling (number of transactions)	\$ 18.16	3689	\$ 66,978.35
Total Cost			\$ 70,317.60
	Purchase WRP kWh	131,893,000	
	Hydro WRP kWh	-	
	Total kWh	131,893,000	0.53 mills/kWh

CDP Administrative Charge Determination

Cost per kilowatt hour of CDP:

Summer Season 2016

	Actual Cost/Unit	Actual Units	Actual Total Cost
L7000 Scheduling			
Accounting	\$ 78.47	106.5	\$ 8,356.55
Scheduling, dispatching, and accounting of CDP	\$ 18.42	1555	\$ 28,648.56
Negotiation included in the scheduling			
Total Cost			\$ 37,005.10
Number of kWh of CDP			532,892,000
Cost per kWh of CDP			0.07 mills/kWh

Summer Season 2015

CDP	Actual Cost/Unit	Actual Units	Actual Total Cost
L7000 Scheduling			
Accounting	\$77.78	90	\$7,000.58
Scheduling, dispatching, and accounting of CDP	\$18.16	1,661	\$30,157.50
Negotiation included in the scheduling			
Total Cost			\$37,158.08
Number of kWh of CDP			540,175,000
Cost per kWh of CDP			0.07 mills/kWh

CDP Administrative Charge for Adjustments Determination

Cost per adjustments on CDP schedules:

Summer Season 2016

	<u>Actual Cost/Unit 1/</u>
L7000 Scheduling	
CDP Schedule Adjustment Charge	\$ 4.61

1/ Per schedule adjustment charge is found by taking 1/4 of the \$18.42 scheduling, dispatching, and accounting of CDP charge, found on the CDP Seasonal Comparison worksheet, which is determined by taking the average salary of the schedulers plus a percentage of building, computer and travel expenses, and applying it toward adjustments made to the CDP schedules.

Summer Season 2015

	<u>Actual Cost/Unit 1/</u>
L7000 Scheduling	
CDP Schedule Adjustment Charge	\$ 4.54

1/ Per schedule adjustment charge is found by taking 1/4 of the \$18.04 scheduling, dispatching, and accounting of CDP charge, found on the CDP Seasonal Comparison worksheet, which is determined by taking the average salary of the schedulers plus a percentage of building, computer and travel expenses, and applying it toward adjustments made to the CDP schedules.