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December 5, 2013

VIA EMAIL

Ms. Lyn C. Jeka - WestConnect@wapa.gov
Colorado River Storage Project Manager
Colorado River Storage Project Management Center
150 East Social Hall Ave.
Suite 300
Salt Lake City, UT 84111-1580

Re: Federal Register Notice on WECC Formula Rate for Projects

Dear Ms. Jeka:

The following are comments of the Arizona Municipal Power Users Association ("AMPUA") on the Notice. AMPUA is a non-profit membership entity and its members are electric entities comprised of cities and towns, special districts, and distribution, generation and transmission cooperatives.

AMPUA believes that this proposal is deserving of a public forum for comment and discussion, particularly because this proposal expands the use of the so-called formula rate concept.

AMPUA believes there needs to be greater public discussion and a forum and a better explanation of the alleged legal authority relied upon by Western in this and in implementing formula rates in other circumstances.

AMPUA is concerned that Western is using a formula rate-filing concept to disadvantage transmission dependent utilities which are not generation entities, not transmission entities and not transmission or energy merchants. The disadvantage is that Western is using a formula rate concept to prevent TDU utilities from exercising cancellation of contract rights otherwise to be available under the General Power Contract Provisions which historically attach to all contracts when the rates effectively and economically change (but the formula does not). Thus Western, by formula, indirectly does what it cannot, under the GPCP, do directly - raise rates and deny TDU customers the right of cancellation.

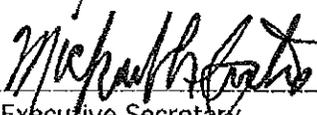
Ms. Lyn C. Jeka
December 5, 2013
Page 2 of 2

TDU customers in the Desert Southwest have seen actual rate increases in transmission but have been told that because the rate is a formula rate, there is not a rate change. The transmission just costs more to the TDU customers.

This result is counterintuitive. This transmission formula rate concept works to the disadvantage of the TDU customers and deprives them of a valuable contract right of contract cancelation due to onerous economic impact from a de-facto rate increase.

Very truly yours,

ARIZONA MUNICIPAL POWER
USERS' ASSOCIATION

By 
Its: Executive Secretary

cc: Members
CREDA
Midwest Electric Consumers
IEDA
APPA
NRECA

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