

Dear Colorado River Storage Project Customers,

As we keep pace with the changing energy industry in the Western Interconnection, we continue to explore ideas to increase efficiency, contain costs and improve our services to customers. One idea we would like to evaluate is combining the Colorado River Storage Project (CRSP) transmission rate with the four transmission project rates in Desert Southwest.

DSW and their customers have recently been exploring combining their transmission rates for the Central Arizona Project, Electrical District No. 5 to Palo Verde Hub, the southern portion of the Pacific Northwest-Pacific Southwest Intertie Project, and Parker-Davis Project.

In preparation for meetings with the DSW customers to explore combining the rates, we recognized there is an opportunity to also combine the DSW rates with the CRSP transmission rate because, in part, the rates of the projects have converged and are now closely aligned.

In addition to having customers in common, a combined transmission rate for CRSP and DSW results in more efficient use of the transmission system, eliminates pancaking, provides long-term rate stability and potentially other benefits.

We would like to meet with you to discuss the possibility of combining the CRSP and DSW transmission rates. We are planning a meeting in Salt Lake City, UT, on April 15, 2020, and in Phoenix, AZ, on April 16, 2020. We will send invitations for these meetings soon and provide options for attending via WebEx. In the meantime, if you have any questions feel free to contact me or Brent Osiek at (801) 524-5495, osiek@wapa.gov

Sincerely,

Steve

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