

Dear Desert Southwest Region Transmission Customers,

In 2018, several customers requested that we investigate combining the transmission rates of the projects within the Desert Southwest Region (DSW). These projects include 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.

Interest in combining rates was expressed again at the Post-Joint Planning Agreement meeting held in July 2019. At that meeting, we prioritized various initiatives and determined that exploring combining rates was one of our top three initiatives.

Since then, we have been preparing to initiate a collaborative dialogue to explore this possibility. During our own preparations, we identified an opportunity to also explore combining DSW transmission rates with the Colorado River Storage Project (CRSP) transmission rate, given that it appears the rates of all the projects are now so closely aligned.

In addition to having customers in common, potential logical outcomes of a combined transmission rate for CRSP and DSW could mean more efficient use of the transmission system, eliminating pancaking, and providing long-term rate stability and other benefits worthy of joint exploration.

We would like to begin this dialogue with you to discuss the possibility of combining the CRSP and DSW transmission rates. We are planning a Webex meeting for mid-April and will send an invitation soon. In the meantime, if you have any questions feel free to contact me or Scott Lund at (602) 605-2442, slund@wapa.gov.

Sincerely,

Tracey A. LeBeau | Senior Vice President & Regional Manager

Western Area Power Administration | Desert Southwest | Phoenix

(O) 602.605.2453 | (M) 720.822.0643 | [LeBeau\[at\]wapa.gov](mailto:LeBeau[at]wapa.gov)

