

# NEWS Release

WESTERN AREA POWER ADMINISTRATION



FOR IMMEDIATE RELEASE: October 12, 2016  
CONTACT: Kara Lamb, [Lamb@wapa.gov](mailto:Lamb@wapa.gov); 720.962.7411

## WAPA KEEPS COMMUNITIES COMPETITIVE, REDUCES CUSTOMER RATES

LAKEWOOD, Colorado – Today the Western Area Power Administration unveils new efficiencies resulting in lower rates. From a drought adder reduction to Continuous Process Improvement efforts, WAPA is moving forward with maximized cost savings, highlighting its overall effectiveness as a power marketing administration and business organization.

“At WAPA, we are committed to not only delivering on our mission of providing low-cost, reliable federal hydropower, but also helping keep communities competitive by keeping their electric costs low,” said Administrator and CEO Mark A. Gabriel. “We are well positioned to actively pursue all opportunities to be effective stewards of our customers’ investments and our nation’s assets.”

As an example, he pointed to the recent drought adder reduction for customers in WAPA’s Upper Great Plains and Rocky Mountain regions who buy federal hydropower from the Pick-Sloan Missouri Basin Program. In this case, a drought adder charge, levied to help repay the deferred drought costs, is being repaid ahead of schedule. The change represents a five mill per kilowatt hour reduction to current composite rates, resulting in roughly \$50 million saved annually in power costs for customers across Colorado, Wyoming, Montana, Kansas, Nebraska, the Dakotas and the western sections of Minnesota and Iowa.

One of four power marketing administrations under the Department of Energy, WAPA engages best business principles like its Continuous Process Improvement program to analyze activities and identify cost-cutting opportunities. Under CPI WAPA’s Information Technology department consolidated its services, the Finance office upgraded its tracking software, and other teams streamlined their practices. As a result, WAPA avoided roughly \$9.5 million of costs in just 18 months.

Accomplishments like these become possible because WAPA works closely with its rate-payer base, asking questions and injecting ideas gleaned from customer feedback into its daily operations. “Such a balance underscores the emphasis of our business principles and highlights actions worth considering as we navigate the future,” Gabriel said. “By working together in these types of mutually beneficial partnerships, we keep the end user’s bill affordable and help communities prosper.”

-30-

**About WAPA:** Western Area Power Administration annually markets and transmits more than 25,000 gigawatt hours of clean, renewable power from 56 hydroelectric powerplants owned and operated by the Bureau of Reclamation and the U.S. Army Corps of Engineers in 15 western and central states. It is part of the Department of Energy. Follow us on Twitter @WesternAreaPowr or visit the website at [www.wapa.gov](http://www.wapa.gov)

P.O. Box 281213 • Lakewood, CO 80228-2802 • Media Phone: 720.962.7411  
Email: [mediarelations@wapa.gov](mailto:mediarelations@wapa.gov) • Website: [wapa.gov](http://wapa.gov) • twitter: [@westernareapowr](https://twitter.com/westernareapowr)

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