



Department of Energy
Western Area Power Administration
Rocky Mountain Customer Service Region
P.O. Box 3700
Loveland, CO 80539-1580

Dear Firm Electric Service Customer:

As part of the current rate schedule, placed into effect January 1, 2018, under Rate Order No. WAPA-179, Western Area Power Administration (WAPA) will conduct both a preliminary review of the Loveland Area Projects (Pick-Sloan Missouri Basin Program--Western Division and Fryingpan-Arkansas Project) (LAP) Firm Electric Service Rate Drought Adder component in early spring to provide customers advance notice of any foreseen changes to the Drought Adder and a final review and notification in the fall of any change to the Drought Adder component of the rate schedule.

Though water conditions are less than optimal this year, the systems have not yet deteriorated to the level necessary to implement the Drought Adder component of the rate. WAPA is using this letter to notify customers that the preliminary review resulted in no estimated change to the Drought Adder component of the LAP Firm Electric Service Rate for January 2022. The charges for the LAP Firm Electric Service Capacity and Energy rates are as follows:

	Capacity (\$/kW month)	Energy (mills/kWh)	Est. Change
Base Component	\$4.12	15.72	--
Drought Adder Component	\$0.00	0.00	--
Total LAP Rate	\$4.12	15.72	--

WAPA will continue to monitor area water conditions through this fall and will send a final notification of any changes to the Drought Adder for January 2022. Please note, a change to the drought adder is not likely, however, we are required to evaluate the water and generation conditions two times each year and inform our customers of any planned change to the Drought Adder component. Additionally, the current rate schedule will expire December 31, 2022, and WAPA will be initiating a public process in early 2022 to replace the expiring rate schedule.

Information concerning the firm electric service rate can be found online at <https://www.wapa.gov/regions/RM/rates/Pages/rates.aspx>. If you have any questions concerning this notice, please telephone me at (970) 685-9562 or scook@wapa.gov.

Sincerely,

Sheila D. Cook
Acting Vice President of Power Marketing
Rocky Mountain Region