



**Department of Energy**  
Western Area Power Administration  
Rocky Mountain Customer Service Region  
P.O. Box 3700  
Loveland, CO 80539-3003

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 (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.

WAPA initiated a rate adjustment with the publication of the Notice of Proposed Rates for LAP firm electric service and sale of surplus products – Rate Order No. WAPA-202 in the Federal Register on May 25, 2022. In this rate order, the proposal is to increase the LAP Drought Adder component from zero to \$6.8 million (or a composite rate of 3.35 mills/kWh) due to less than average generation in the Pick-Sloan Missouri Basin Program system. WAPA is using this letter to notify customers that, as prescribed in the annual drought adder review process, we have completed the preliminary review for 2022 and are estimating no additional change to the Drought Adder component for January 2023 other than what has already been proposed in Rate Order No. WAPA-202.

WAPA will continue to monitor area water conditions through this fall and will send a final notification in October 2022 of any additional changes to the Drought Adder component for January 2023. Additionally, our final rate order is expected to be published by early December 2022. This rate order will include our final Drought Adder component for January 2023, as well as our new rate schedules.

Information concerning LAP firm electric service rates is posted online at <https://www.wapa.gov/regions/RM/rates/Pages/rates.aspx>. If you have any questions concerning this notice, or the firm electric service calculation, please contact me at (970) 685-9562 or [scook@wapa.gov](mailto:scook@wapa.gov).

Sincerely,

Sheila D. Cook  
Rates Manager  
Rocky Mountain Region