



Department of Energy
Western Area Power Administration
Upper Great Plains Customer Service Region
P.O. Box 35800
Billings, MT 59107-5800

Dear Firm Power Service Customer:

As part of the current rate schedule, placed into effect January 1, 2018, under Rate Order No. WAPA-180, Western Area Power Administration (WAPA) will conduct both a preliminary review of the Pick-Sloan Missouri Basin Program (Pick-Sloan)--Eastern Division Firm Power 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 Pick-Sloan--Eastern Division firm power, firm peaking power, and sale of surplus products – Rate Order No. WAPA-203 in the Federal Register on May 25, 2022. In this rate order, the proposal is to increase the Pick-Sloan--Eastern Division Drought Adder component from zero to 3.44 mills/kWh due to less than average generation in the Pick-Sloan 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-203.

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 the firm power service rates can be found online at <https://www.wapa.gov/regions/UGP/rates/Pages/rates.aspx>. If you have any questions concerning this notice, please contact me at (406) 702-4791 or cady@wapa.gov.

Sincerely,

Linda Cady-Hoffman
Digitally signed by Linda Cady-Hoffman
Date: 2022.06.29 13:57:10 -06'00'

Linda Cady-Hoffman
Rates Manager
Upper Great Plains Region