

DSW One Transmission Rate

Work Group Meeting Notes

11/3/2022

Please submit questions, comments, or corrections about the notes to dswpwrmrk@wapa.gov
These meeting notes have been summarized for brevity.

Discussion

WAPA reviewed the meeting [presentation](#) also available on its [website](#).

WAPA and meeting participants reviewed the principles for establishing the One Transmission Rate (OTR) which was discussed at the April 12, 2022, OTR meeting.

WAPA provided the proposed OTR design with updates to ten-year projections. Updated [single system projections](#) were posted.

WAPA discussed prepayments and their impact; a chart depicting the link between rate schedules, contracts and WAPA's Tariff; anticipated changes to agreements and Open Access Same-time Information System.

The timeline was discussed, and actions items were reviewed.

WAPA would like to receive customer feedback and/or support within the next 45 days, by December 16, 2022, so that it can be included in our decision process.

WAPA has posted to its website updated [questions](#) received to date about the OTR and answers for many of them.

Questions / Comments

Is Network Integration Transmission Service (NITS) included in total reservations (denominator) of the proposed OTR formula rate?

Yes. We calculate an equivalent point-to-point transmission service amount for each NITS customer and those amounts are included in the total reservations.

Would the OTR requirement to prepay impact how resales are managed?

WAPA requires the original transmission customer to collect from the party who the transmission has been resold, so resales will not be affected by the requirement to prepay.



Are there phase-in prepayment options?

Yes. WAPA is working on options to provide flexibility to phase in the prepay requirement for those that need added flexibility. We request your feedback on how to structure the phase-in to be most beneficial.

How will an over/under of revenue collected be handled?

In the event of revenue collected above the revenue requirement, WAPA will distribute to each power system. In the event of an under-collection, WAPA will ensure those projects with limited repayment flexibility are kept whole while utilizing the flexibilities of the other power systems that can take a deficit. This will not adversely affect any power systems since deficits will be included in subsequent OTR collections. As with any shortfall, WAPA will report on the deficit and discuss options with customers.

A concern was expressed on the forecast of additional long-term sales – specifically the first year may not be as high as 300 megawatts. The customer wanted to ensure everyone understood an initial shortfall is likely due the timing of the OTR's effective date, but overall felt the sales assumptions were reasonable.

WAPA appreciates the observation, disclosure, and agrees that the initial sales are highly dependent on timing. Should the initial sales amount fall short, any under-collection will be handled as described above.

Walk through why there would be two months of prepayment?

As illustrated in the slides, there would be two months of prepayments since in October you will be paying September's transmission service and prepaying for November's transmission services. Then in November you will be paying October's transmission services and prepaying December's transmission service. Finally, in November you will be charged November's Transmission service and receive credit for your prepayment of November's transmission service you paid in October. In short, it takes two months because prepayments are billed one-month in advance and service bills are one-month in arrears.

Has WAPA estimated the OTR rate process and how it may affect DSW costs, running one DSW rate process rather than several?

Great point! There will be a cost savings in eliminating individual power systems rate adjustment processes.

Will WAPA continue to file a rate adjustment every five years and update the OTR formula rate, so there is some regulatory/FERC approval every five years?

Yes, WAPA will continue to conduct the rate adjustment process every five years.

When are you seeking comments and what is the preferred method to comment?

We would appreciate any feedback and comments that you may have within 30 days with the preferred comment method via email at dswpwrmrk@wapa.gov.

[After the meeting, WAPA extended the deadline for comments an additional two weeks to December 16, 2022.]

If support is received, will WAPA continue to pursue the one transmission rate?

Yes, WAPA will proceed with the rate adjustment process.

Action Items

1. Provide Meeting Notes

Next Steps

WAPA would like customer feedback within the next 45 days. This feedback will be considered as part of our decision process.

Following our decision, WAPA will either proceed with the formal rate process to establish an OTR formula rate, continue to perform analysis based on customer feedback, or cancel this initiative.

Website / Resources

<https://www.wapa.gov/regions/DSW/Rates/Pages/OTR.aspx>

