

# DSW One Transmission Rate

## Work Group Meeting Notes

4/12/2022

Please submit questions, comments, or corrections about the notes to [dswpwrmrk@wapa.gov](mailto: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 discussed the background and principles for establishing the One Transmission Rate (OTR).

WAPA provided an overview of the proposed OTR design and projections.

WAPA discussed the project timeline.

Future meeting dates were briefly discussed, actions items were reviewed, and the meeting was closed.

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

### Questions / Comments

Will WAPA need to revise its Tariff for this initiative?

No, WAPA does not believe any revisions will be necessary for this effort. WAPA anticipates implementing the OTR through new rate schedules that will be proposed during a public rate adjustment process.

Will the OTR be compatible with EIM?

The OTR is not expected to impact EIM in any adverse way and should generate more interest in transmission service from EIM customers.

How will future planning be done assuming this initiative moves forward. For example, will construction planning be integrated to prevent overbuilding?

If the OTR is adopted and implemented by WAPA, planning could be performed at the regional level rather than for each individual transmission system.



How will network customers be assessed?

OTR network service will be employed using the combined revenue requirements of the projects. Network customers will prepay like long-term point-to-point customers.

Can WAPA create a diagram of the OTR from a Tariff perspective as model for customers showing how OTR will work.

Yes, WAPA will provide a diagram.

Do loss rates apply to OTR?

Yes, loss rates will apply and are anticipated to stay at 3%.

On slide 12, what does the adjustment for pancakes indicate?

Certain customers have reservations on more than one DSW transmission system and pay multiple rates for contiguous service. Having an OTR will reduce the reservations associated with these customers and the adjustment is that reduction.

On slide 12, what are the additional reservations?

WAPA expects additional reservations if the OTR initiative is adopted. The OTR team consulted with WAPA's Transmission Business Unit and conservatively projected these future reservations should the OTR be implemented.

How will the OTR be impacted by the proposed expansion at Mead Substation? Will that expansion raise the OTR?

The impact to OTR will depend on the source of funding for construction and the flexibilities that funding affords. Historically, the repayment period for capitalized construction costs would be 40-50 years. If the proposed expansion results in additional sales, there would probably be a minimal impact to the OTR.

Would the current process for redirects change with the OTR?

This needs further investigation and discussion within WAPA, but the OTR could potentially lead to smaller curtailments and less cuts.

Does WAPA expect the currently predicted 2% inflation on future costs to remain the same?

WAPA has been working to minimize budgetary increases despite the rate of inflation. WAPA expects to have more information once the latest budget information becomes available.



How would a shift to MOD 30 impact this initiative?

WAPA is in the early stages of looking at the impacts of MOD 30 and plans to discuss the impacts with customers, which is probably about a year out at this point.

The Joint Planning Agreement (JPA) currently applies to P-DP and Intertie transmission customers and includes prepayment for construction projects. Will this apply to all projects in the OTR?

WAPA will consider how to expand the agreement to be more inclusive.

### **Action Items**

1. Provide Meeting Notes
2. Provide OTR Calculations and Analysis
3. Diagram OTR from Tariff perspective

### **Next Meeting**

Meeting participants decided the next meeting should be scheduled in June when updated budgetary information and rate forecasts will be available.

### **Website / Resources**

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