

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**ROCKY MOUNTAIN REGION
Loveland Area Projects**

**FIRM ELECTRIC SERVICE
(Approved Under Rate Order No. WAPA-202)**

Effective:

The first day of the first full billing period beginning on or after January 1, 2023, and extending through December 31, 2027, or until superseded by another rate schedule, whichever occurs earlier.

Available:

Within the marketing area served by the Loveland Area Projects (LAP) (consisting of the Fryingpan-Arkansas Project and the Pick-Sloan Missouri Basin Program--Western Division, which were integrated for marketing and rate-making purposes in 1989); parts of Colorado, Kansas, Nebraska, and Wyoming.

Applicable:

To the LAP firm electric service delivered at specific point(s) of delivery, as established by contract.

Character:

Alternating current, 60 hertz, three phase, delivered and metered at the voltages and points established by contract.

Formula Rate and Charge Components:

LAP Firm Electric Service Rate (Rate) = Base component + Drought Adder component

Monthly Charge as of January 1, 2023, under the Rate:

CAPACITY CHARGE: \$4.80 per kilowatt per month (kWmonth) of billing capacity.

ENERGY CHARGE: 18.31 mills per kilowatt-hour (kWh) of monthly entitlement.

BILLING CAPACITY: Unless otherwise specified by contract, the billing capacity will be the seasonal contract rate of delivery.

Charge Components:

Base Component: A fixed revenue requirement that includes operation and maintenance expense, investments and replacements, interest on investments and replacements, normal timing power purchases (purchases due to operational constraints, not associated with drought), and transmission costs. Any proposed change to the Base component will require a public process.

The Base revenue requirement is \$67,839,200 and the charges under the formulas are:

$$\text{Base Capacity} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Firm Billing Capacity}} = \$4.36/\text{kWmonth}$$

$$\text{Base Energy} = \frac{50\% \times \text{Base Revenue Requirement}}{\text{Annual Energy}} = 16.63 \text{ mills/kWh}$$

Drought Adder Component: A formula-based revenue requirement that includes future power purchases above normal timing power purchases, previous purchase power drought-related deficits, and interest on the purchase power drought-related deficits. As of January 1, 2023, the Drought Adder component revenue requirement is \$6,838,720 and the charges under the formulas are:

$$\text{Drought Adder Capacity} = \frac{50\% \times \text{Drought Adder Revenue Requirement}}{\text{Firm Billing Capacity}} = \$0.44/\text{kWmonth}$$

$$\text{Drought Adder Energy} = \frac{50\% \times \text{Drought Adder Revenue Requirement}}{\text{Annual Energy}} = 1.68 \text{ mills/kWh}$$

Annual Drought Adder Adjustment Process:

The Drought Adder component may be adjusted annually using the above formulas for any costs attributed to drought of less than or equal to the equivalent of 2 mills/kWh to the Rate. Any planned incremental upward adjustment to the Drought Adder component greater than the equivalent of 2 mills/kWh to the Rate will require a public process.

The annual review process is initiated in early summer when the Rocky Mountain Region (RMR) reviews the Drought Adder component and provides notice of any estimated change to the Drought Adder component charge under the formula. In October, RMR will make a final determination of any change to the Drought Adder component charge, either incremental or decremental. If a Drought Adder component change is required, a modified Drought Adder revenue requirement and the associated charges will become effective the following January 1 and will be identified in a Drought Adder modification update. RMR will inform customers of updates by letter and post updates to RMR's external website.

Adjustments:

For Transformer Losses: If delivery is made at transmission voltage but metered on the low-voltage side of the substation, the meter readings will be increased to compensate for transformer losses as provided for in the contract.

For Power Factor: None. Customers will be required to maintain a power factor within the range of 95-percent leading to 95-percent lagging, measured at the point of interconnection.