



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

DEC 01 2017

Dear Firm Electric Service Customer and Other Interested Parties:

This letter provides notification that Western Area Power Administration’s (WAPA) Loveland Area Projects (LAP) Rate Order No. WAPA-179 was confirmed and approved by the Deputy Secretary of Energy on November 30, 2017.

Enclosed are copies of the signed Notice and Rate Order. Also included are LAP Rate Schedules L-F11 and L-M2. Signature of the Rate Order places Firm Electric Service and Sale of Surplus Products formula rates, set forth in the LAP Rate Schedules L-F11 and L-M2, into effect beginning January 1, 2018, through December 31, 2022, or until superseded. Publication of these documents in the Federal Register is scheduled for December 8, 2017. Once published, WAPA will post a copy to the website listed below.

Under Rate Schedule L-M2, the surplus energy and capacity products offered will now include “energy”, in addition to the existing reserves, regulation, and frequency response products. The charge components under Rate Schedule L-F11 for firm electric service result in an overall decrease of 14 percent to the LAP Composite Rate; which consists of an increase to the Base component and a total reduction to the Drought Adder component. The updated charge components are identified in the table below and are also described in more detail in the enclosed Rate Order.

Summary of LAP Charge Components

	Charges Under Rate Schedule L-F11		
	Base Component	Drought Adder Component	Total Charge
Firm Capacity (\$/kWmonth)	\$4.12	\$0.00	\$4.12
Firm Energy (mills/kWh)	15.72	0.00	15.72

This letter and enclosures serve as WAPA’s fall notification of change to the Drought Adder component of the rate effective January 1, 2018, as required under the existing Drought Adder annual review process. The documents pertaining to this Rate Order can be found on WAPA’s website located at <https://www.wapa.gov/regions/RM/rates/Pages/2018-Rate-Adjustment---Firm-Power.aspx>. If you have any questions, please contact me by telephone at (970) 461-7211.

Sincerely,

Sheila D. Cook
 Rates Manager
 Rocky Mountain Region