

WESTERN AREA POWER ADMINISTRATION  
DESERT SOUTHWEST REGION

RATE ORDER No. WAPA-209  
PUBLIC INFORMATION FORUM

Phoenix, Arizona

Monday, August 7, 2023

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## P R O C E E D I N G S

(10:03 a.m.)

MR. KAWAMURA: All right. We are on the record now and I just want to say good morning to everyone and welcome to Western Area Power Administration's Information Forum on WAPA Rate Order 209. With WAPA Rate Order 209, WAPA is proposing a new formula rate for firm and nonfirm point-to-point transmission service and network integration transmission service. And as part of the proposal, WAPA's Desert Southwest Region proposes to revise the existing formula rates for the Parker-Davis Project firm electric service and the firm transmission service for the Salt Lake City Area/Integrated Projects.

The proposed new formula rates and revisions to the existing formula rates would combine the transmission service rates for the Central Arizona Project, the southern portion of the Pacific Northwest-Pacific Southwest Intertie, and the Parker-Davis Project, and the facility use charge for the Electric District No. 5 to Palo Verde Hub Project. DSW's proposed formula rates will be effective January 1,

2024, and run through September 30, 2028, or until WAPA changes the formula rates through another public process.

My name is Koji Kawamura and I'm an attorney with WAPA's Office of General Counsel and I'll be presiding as the moderator for today's Information Forum. So, as you logged in, we collected your contact information, so we have an accurate attendance for those who are participating today. Most, if not all of you, should have gotten a letter or email from WAPA informing you of today's Public Information Forum. WAPA also published a notice of today's Information Forum in the June 30, 2023, *Federal Register*, Vol. 88, No. 125, page 42355 and on WAPA's website.

In today's Information Forum, Ms. Tina Ramsey, WAPA Rates Manager, and her staff will present the proposed rates. Following the presentation there will be an opportunity for you to ask any questions regarding the proposed rates. WAPA will hold a public comment forum on August 29, 2023, at 10:00 a.m. Mountain Standard Time. And it's Mountain Standard Time, so it's 10:00 a.m. Arizona -- 10:00 a.m. in Phoenix. You may

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hold your comments for the comment forum or you may submit your comments in writing at any time during the comment period. The comment period ends on September 28, 2023, and all comments must be received by that date to be considered.

A verbatim transcript of today's forum is being prepared by a court reporter. It is also being recorded by Teams. And everything said while we are in session today together with all exhibits will be a part of the official record. Copies of the transcript and the exhibits will also be available for review in the Desert Southwest Regional Office and on WAPA's website. The website is

[www.wapa.gov/regions/dsw/rates/pages/otr.aspx](http://www.wapa.gov/regions/dsw/rates/pages/otr.aspx). The audio and video recordings may also be posted on DOE or WAPA's website or used internally. If you do not wish to have your voice recorded, please do not speak during the call. If you do not wish to have your image recorded, please turn off your camera or participate by phone. If you speak during the call or use a video connection, you are giving consent to the recording and to the use of your voice and images. And for ease of

the transcription, if you can mute your microphone if you are not talking and we will open up the microphone when -- during the comment -- during the question process.

And with that, I would like to introduce today's presenters. They will be Tina Ramsey, Todd Statler, and Shannon Joya, and they will be presenting the proposed rates. And again, please hold all your questions until they are finished with their presentation. If you can just mark down on a piece of paper the slides that you have questions on, we will get back to those specific questions after the presentation. And this will just help facilitate the transcription of the meeting. And with that, I am going to go on ahead and turn it over to Tina for the presentation. Tina, go ahead.

MS. RAMSEY: All right, thank you, Koji.

Hopefully, everybody can hear me. Yes?

MR. KAWAMURA: Yes, I can --

MS. RAMSEY: Yes.

MR. KAWAMURA: -- hear you loud and clear.

MS. RAMSEY: Yes, thank you. Thank you. As

Koji said, I am Tina Ramsey and I am the Rates Manager for Western Area Power Administration's Desert Southwest Region, or WAPA DSW. Today, we'll be discussing the proposed new formula rates for firm and nonfirm point-to-point and network integration transmission service. As Koji stated, these proposed new formula rates would combine the transmission service rates of the Central Arizona Project, or CAP, the southern portion of the Pacific Northwest-Pacific Southwest Intertie Project, or Intertie, and the Parker-Davis Project, or PDP, and the facilities use charge for the Electrical District No. 5 to Palo-Verde Hub Project, which we refer to as the ED5-PVH, or ED5 Project.

We are also proposing to revise the existing rate formulas for both Parker-Davis firm electric service and firm transmission service -- I'm sorry. We are proposing to revise the existing formula rates for both the Parker-Davis Project's firm electric service and the firm transmission service of the Salt Lake City Integrated Area -- Salt Lake City Area/Integrated Projects power so both of those existing rate schedules have transmission in it. So, it needs to be updated to

be consistent with our OTR proposal.

All right. So, on the agenda today, we will begin by discussing the history of combining rates and how we got to DSW's One Transmission Rate, which we kindly refer to as OTR, O-T-R. Then I'll provide a quick summary of our proposal and the benefits of the proposal. Then I will turn the presentation over to Todd Statler and Todd will provide more details on the new formula rates for OTR including those revisions of the two existing formula rate schedules needed for consistency with the OTR proposal. And then Shannon will review prepayments for those that will be new to this process.

I will then discuss our timeline and then we have a slide with our contact information. After our presentation is complete, I will turn the meeting back over to Koji and he will open the forum for questions and comments. We are having a little bit of technical difficulties so we had to swap laptops and whatnot so there might be a challenge with muting everyone. So, we do ask that everyone stay on mute during the presentation.



All right. So, we wanted to start off with providing a brief history of combining rates at WAPA. So, WAPA does have a history of combining rates for both power projects and for transmission projects. Combining rates does not change any project repayment requirements. We are not combining financial reporting or power repayment studies. Projects at WAPA have different legislative requirements and these requirements do not change when we combine rates. Said a better way or a different way is that WAPA is changing the rate setting aspect for these projects.

On the power side, there are a couple of examples. WAPA has the Loveland Area Projects where we combined the Fryingpan-Arkansas Project with the Western Division of the Pick-Sloan. And we also have the Salt Lake City Area/Integrated Projects, or SLCA/IP, which combine the Colorado River Storage Project with the resources from both the Collbran and the Rio Grande Projects. So, once again, we maintain separate repayment for those individual projects and it was just a rate effort.

Most notably on the transmission side, we

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combined and created the Integrated System, or IS. This was transmission owned by the Upper Great Plains Region, along with transmission from Basin Electric Power Cooperative and Heartland Consumers Power District. The IS is now part of the Southwest Power Pool.

So, at DSW we have had several different -- we have several different transmission systems. So, our efforts to combine the systems for rate setting purposes is not new. In 2003, we had the MSTR effort, which is the Multi-System Transmission Rate effort.

Next slide.

So, the MSTR effort was a combination of three transmission projects for DSW. It was the CAP, Intertie, and Parker-Davis. We explored many different approaches including phasing in of a combined rate to having a combined rate for only nonfirm transmission service.

It was a very educational effort with better understanding of the impacts at the time of pancake use of the DSW transmission system. And hopefully everyone knows pancake use. Pancake is when you use multiple transmission systems and you are then charged like a

pancake for each of those transmission systems. So, since WAPA DSW has multiple transmission systems, if you use Parker-Davis, you'd pay the Parker-Davis rate. If you also for your transaction needed to use the Intertie transmission, you would also then have to pay the Intertie transmission rate, and they stacked like a pancake. So, at that time there was a lot of pancaking on our system.

And we also gained during this effort a lot of knowledge of the different transmission systems. Since how we tend to work on our transmission systems is we tend to focus on projects specific for that rate specialist. And we also built closer working relationships with our transmission customers and this does happen a lot when we have different initiatives. When we work so closely, we get to better understand the use of our system that they use and they get to better understand how we have to set our rates and how we prioritize our repayment. And also, it was educational for staff and the customers to explore options and different rate setting techniques. Despite all of its merits, it ultimately was not successful.

So, next slide.

So, then in 2008, DSW had renewed interest from our transmission customers to explore combining rates once again. Our transmission rates were converging. There was more market activity in the West and how transmission customers were using the DSW transmission system was changing. We saw less pancaking of transmission. I mean, there's still some but there was less. But our transmission customers were actually using multiple DSW transmission projects. So, they had reservations on two or even three of DSW's transmission projects. So, not necessarily for the same transaction, but overall, they needed the use across our system more widely.

So, during this time the Customer Technical Committee, or CTC, was formed. And one of the requests from this committee was to investigate a combined rate again. So, at that time, the CTC had many things on their agenda and so they focused on completing a Joint Planning Agreement so the effort to combine the rates was sidelined.

Then in 2019, DSW coordinated with our

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customers. We kind of looked at our priorities once again and our different initiatives and the combined rate was in the top three priorities for initiatives for our customers. So, internally the DSW rates group began gathering data and doing some analysis and even creating some tools to help with that analysis. So, then in 2020, the effort expanded to include the Colorado River Storage Project transmission along with those DSW transmission systems.

So, this slide shows the rate convergence that I was talking about where the DSW transmission projects over the last 10 years and it illustrates how they've converged really beginning around 2018. And so, really up through -- so, '18 they started converging, probably 2020 even closest. And so, we've really continued with that convergence since that time.

So, continuing with the history, as I mentioned the combined rate for DSW in 2020 was expanded to include CRSP transmission. So, what we had then was we called it the DSW CRSP combined rate and it was CAP, the ED5 to Palo Verde Hub, Intertie, Parker-Davis, and CRSP.

So, our focus was to educate, explore, and formulate. So, we did that both internally and then we met with customers and had collaborative sessions, work group sessions. We had four sessions in 2020. And at that time, we created briefing documents, fact sheets. We had answers to some frequently answered -- frequently asked questions. And we also developed a cost impact analysis workbook that showed estimated impacts by customer for a combined rate. So, for each customer, you could see what your impact was.

That combined effort, that combined rate effort ended in the fall of 2021, due to the CRSP management services, or management center, moving towards exploring market participation. So, it kind of pulled out the CRSP transmission piece.

So, even though that combined effort with DSW and CRSP ended, DSW continued to hear feedback from our customers that they were still interested in a single rate for the DSW projects. So, that would be still a single rate for CAP, for the facility use charge for the ED5-Palo Verde Hub, for Intertie, and Parker-Davis.

To help everyone delineate that this was a

different initiative, we kicked off the effort and called it One Transmission Rate, or O-T-R, referred to as OTR. And we kicked that off in early 2022. We had a couple work group meetings and we kind of dug a little bit deeper than we had on the previous initiative. We talked about transmission losses. We talked about pancaking. We still wanted this effort to remove pancaking, but we also began exploring pancaking between the different service types.

We looked at our tariff and if any changes needed to be made to our tariff. And we saw that there was no need to change anything in our tariff. And we talked about having parity between all of the DSW transmission services by including the requirement to prepay.

So, we used those combined rate effort tools that were developed and we modified those. Basically, we removed the CRSP transmission and then we also developed rate projections for the next 10 years. Our materials and meeting notes are still posted on our website.

Overall, we had continued support for this

OTR, or One Transmission Rate, at DSW. So, we decided to move forward and published our proposal in the *Federal Register* on June 30th. And we are now in a public process, which includes getting feedback on our proposal that we'll talk about today.

So, we'll go into more detail in subsequent slides. But overall, our OTR proposal is for a new formula rate and rate schedules for transmission service. That includes both firm and nonfirm point-to-point service and network service.

The power systems, or projects, included in OTR are transmission on CAP, Intertie, Parker-Davis Project, and the facility use fee for the ED5-Palo Verde Hub. The proposal is a single charge for each class of service on a continuous path. Payment is required one month in advance for service for long-term firm point-to-point and for long-term network. And we refer to this prepayment one month in advance as prepaying for service.

In addition, for consistency since Parker-Davis transmission service is included in the Parker-Davis firm electric service rate schedules and we have



Parker-Davis transmission -- a transmission schedule for those southern CRSP customers that deliver their SLCA/IP power, those rate schedules are also updated as part of this proposal.

So, the OTR proposal provides many benefits. The elimination of rate pancaking. It's equitable and fair pricing and treatment for all DSW transmission customers. I earlier mentioned parity for all transmission customers. Prepaying for service. By combining the projects and having one price, there will be more efficient use of the transmission system. Customers will not be looking to use just the cheapest transmission project because the transmission pricing will be the same for all paths on DSW's transmission.

The single charge will also stimulate sales. We have heard from our Transmission Business Unit that there is interest in additional sales on our transmission system. But then that pancaking and that double or triple pricing has been cost prohibitive. So, we also will have long-term financial and rate stability by having a larger revenue requirement. It's really less impact when we have someone that might cancel

service. So, we're hoping to have larger quantity are added for this efficient use. And then if people do drop off, there will be smaller reservations, which will have less impact overall on the total pricing.

And we also can optimize project repayment. We do have flexibility in our repayment. So, as an example, we can reduce our overall interest costs by paying down those high interest rate investments first when we combine all the revenue requirements together.

And lastly, we can minimize administrative burden. And this burden is really on WAPA's side and for our customers. Right now, our customers need to know what transmission system they need to use. In the future, with OTR, or One Transmission Rate, it doesn't matter what power system you're on. So, you don't have to know that level of granularity on the DSW transmission system. And also, for us less administrative burden with tracking. We still have the same financial reporting, but less on our OASIS side because we will have the single charge.

So, I will now pass the presentation over to Todd Statler and he'll go into more details for each of

the rate schedules and the formula rates. Todd, are you able to unmute? Yes.

MR. STATLER: Okay. Thank you, Tina. First a audio check. Everybody hear me?

MS. RAMSEY: Yes.

MR. STATLER: Okay, great. Good morning. My name is Todd Statler and I'm a rates specialist at WAPA's DSW. As Tina mentioned earlier, I will be providing more details on the formula rates and the associated rate schedules.

So, first we're going to be -- we'll talk about the new formula rates and schedules. And then second, we'll talk about the revisions to the existing formula rates and schedules. And then third, I will provide an example of the OTR calculations.

So, first we're going to start off with firm point-to-point transmission service. We're proposing a new rate schedule, DSW- -- basically, Firm Transmission 1. And this rate schedule will apply to long-term and short-term transmission on CAP, ED5-Palo Verde Hub, Intertie, and PDP.

This rate schedule contains formulas in order

to calculate the applicable rates. And these rates will be calculated annually with updated financial and capacity reservation information. And we'll get into that a little bit later when we talk about the example I mentioned.

So, in addition, this proposed new rate schedule will essentially supersede these existing rate schedules for firm point-to-point transmission service on each of the transmission systems. And that's CAP-Firm Transmission 3, Intertie-Firm Transmission 5, and Parker-Davis Project-Firm Transmission 7.

Next slide, please.

So, as mentioned on the previous slide, that proposed rate schedule covers long-term and short-term service. So, first we'll talk about the long-term rate that's applicable to the long-term service. And of course, long-term service is transmission service of one year or longer. We'll have an annual rate for each kilowatt per year, KW-year. And it will -- can you guys still hear me?

MS. RAMSEY: Yes. Yes.

MR. STATLER: Okay, sorry. So, the annual

rate for each kilowatt per year will equal this rate formula and essentially, it's the combined annual transmission revenue requirement, ATRR, of each project divided by the combined anticipated long-term capacity reservations for each project, rounded to the nearest 12-cent increment. And this rate is -- this annual rate is payable monthly and the rate for each kilowatt per month equals the annual rate per kilowatt year divided by 12.

Next slide, please. Okay.

So, then we'll talk about the short-term rates. And these are for -- these rates are for transmission service up to one year. And the maximum rate for each kilowatt equals the following: So, for monthly it's the annual long-term rate divided by 12 months and rounded to two decimal places. For weekly, it's the annual long-term rate divided by 52 weeks and rounded two decimal places. Daily, it's the annual long-term rate divided by 365 days and rounded two decimal places. And lastly, hourly, it's the annual long-term rate divided by 8,760 hours and rounded five decimal places.

Next slide.

So, the next proposed new rate schedule is for nonfirm transmission service. And this would be DSW-Nonfirm Transmission 1. Again, this would be applicable to CAP, ED5-Palo Verde Hub, Intertie, and Parker-Davis. This also contains a formula to calculate the rate. And the maximum hourly rate for each kilowatt equals the annual long-term rate divided by 8,760 hours and rounded to five decimal places. Again, this hourly rate will be calculated annually using updated information and it will supersede the other -- the rate schedules for nonfirm transmission service on CAP, Intertie, and Parker-Davis Project.

Next, we'll move to the next proposed new rate schedule and that's DSW-Network Transmission Service 1. Again, this will apply to CAP, ED5-Palo Verde Hub, Intertie, and Parker-Davis. And it also contains a formula, but in this case it's to calculate the monthly charge for network transmission service. And this monthly charge will equal the customer's load ratio share multiplied by 1/12 of the combined annual transmission revenue requirement of each project.

The combined ATRR will be determined annually with updated financial information. And this proposed new rate schedule for network transmission service will supersede the existing rate schedules on CAP, Intertie, and Parker-Davis for network transmission service. So, that covers the new formula rates and schedules.

Now, we'll move to the existing formula rates and schedules, which are on the Parker-Davis Project. So, the first rate schedule is Parker-Davis Project Firm Electric Service. We're proposing a new schedule, PD-F8. And what we're proposing is to revise the transmission section under the charges category to align with the proposed new rate schedule DSW-Firm Transmission 1 that we went over earlier.

No changes are being proposed to the energy and capacity sections. There are a couple of proposed minor changes to the existing schedule. The first is to apply rate schedule DSW-UU1 to unreserved use of transmission. When the existing rate schedule was put into effect, DSW did not have a separate rate schedule for unreserved use of transmission. Now, we do. It was put into place a couple of years ago and so we're

essentially just referring to that rate schedule when it comes to unreserved use.

Then the second item is we're proposing to delete a section on transmission losses -- I'm sorry -- transformer losses that's in the existing rate schedule. This section no longer applies today and we didn't feel that it was necessary. In addition, this was inadvertently published as a section on transmission losses in the *Federal Register* Notice that we -- that was recently published. And like the other rate schedules, this will supersede the existing rate schedule PD-F7.

So, the second rate schedule is for PDP Firm Transmission of SLCA/IP power. The new proposed rate schedule would be PD-FCT8. And here again, we're looking to revise the rate section so it aligns with the proposed new rate schedule DSW-Firm Transmission 1.

And then we also have a couple of minor proposed changes. The first one is to apply Rate Schedule DSW-TL1 for transmission losses. When the existing rate schedule was approved, we did not have a separate rate schedule for transmission losses. Now, we



do. And that was done a couple of years ago and so, this is basically just a change to reference that new rate schedule versus the existing language in the existing rate schedule.

And then, similar to the last -- the Parker-Davis Firm Electric Service rate schedule, we'd like to apply the unreserved use transmission rate schedule for transmission of SLCA/IP power. So, this supersedes -- again, this proposed new rate schedule would supersede the rate schedule PD-FCT7.

Okay. So, now we have covered the formula rates and schedules. We will move to an example of the OTR calculation, which is essentially a result of the new formula rates. But first, we'll provide a general overview of the process, which is what we attempt to do on this slide. So, as you can see, this slide illustrates or depicts at a very high level, the process we'll use to determine the OTR and distribute the associated revenue.

Today, we're going to focus primarily on the left and the middle sections, which are the combining the revenue requirements and reservations and

calculating and optimizing the rates or the OTR.

Ok, could we go to the next slide, please?

So, essentially designing the OTR consists of three steps. And since there's a considerable amount of information associated with each step, we're providing kind of a summary view first before we take a deeper dive. And so, we'll go into a little bit more detail for each of these.

So, as you can see, Step 1 is combine the transmission system revenue requirements. And essentially this is the revenue that's needed from the sales of long-term firm service, which we tend to refer to as the numerator. And it's also used to calculate the monthly charges for network service.

Then at Step 2, we combine the transmission system reservations. Essentially, this is the estimated quantity of long-term firm sales. And we tend to refer to that as the denominator.

And then finally, in Step 3, we calculate the rate, which is the numerator divided by the denominator rounded to the nearest 12-cent increment. And this rate is what gets applied to point-to-point sales to

determine the monthly charges and which eventually results in producing revenue for project repayment.

So, I'll go into a little bit more detail on Step 1, which is combine the revenue requirements, which is the first step in determining or calculating the OTR. So, starting on the left, the first column represents the aggregate costs of the individual transmission systems. The next, or second column, represents the aggregate carryover or prior year true-up amounts associated with the applicable transmission systems.

And then the next, or the third column, represents the aggregate offsetting revenue of the individual transmission systems. This is often referred to as other revenue and includes all transmission-related revenue other than long-term sales. Like, for example, nonfirm sales, short-term sales, ancillary services, facilities use charges, line losses, etc..

The next, or fourth column represents the additional offsetting revenue that we believe will result from having an OTR in place. Currently, we are anticipating selling 80 megawatts of additional short-term and nonfirm transmission service in the first year

and 40 megawatts each year thereafter.

And then the last, or fifth column, represents the OTR revenue requirements. And these are calculated by taking the costs from the first column, subtracting the carryover prior year true-up, which is column two, and also the offset, subtracting the offsetting revenues, and the additional offsetting revenue.

Now, we'll move to Step 2, which is basically we combine the reservations. So, starting on the left, the first column represents the aggregate reservations of the individual transmission systems. The next, or second column, represents the adjustments resulting from eliminating the pancakes on the individual transmission systems. The next, or third column, represents the additional reservations that we believe that having an OTR will facilitate and occur during this time period. We anticipate sales of long-term transmission service increasing 300 megawatts the first year and every third year thereafter.

The last, and fourth column, represents the total reservations for the OTR. These are calculated by taking the aggregate reservations, column one, adding

the adjustments for pancakes, column two, and the additional reservations, column three. So, this completes Step 2, the denominator.

Then Step 3, we calculate the rate. Starting on the first left, first column -- or starting on the left, the first column represents the revenue requirement from Step 1. The next, or second column, represents the total reservations from Step 2. The next, or third column, are the annual rates, which are calculated by dividing the revenue requirement, numerator, by the total reservations, denominator. The last and fourth column, are the monthly rates, which are calculated by taking the annual rate and dividing by 12. And this completes Step 3.

So, I will now turn the presentation over to Shannon Joya and she will talk about prepayments.

MS. JOYA: Thank you, Todd. I am Shannon Joya, the Parker-Davis Project Rates Specialist at DSW. I will be going over more detail for the prepayment requirement under the OTR in the proposed rates schedules DSW-FT1 and DSW-NTS1.

Under these rate schedules, prepayments will

be required for service one month in advance and will be credited in the subsequent month. The types of transmission services the prepayments will be required for firm point-to-point and network transmission services. Short-term firm and nonfirm will not be required to prepay since the quantity of service may not be known in time for advanced payment to be billed and short-term service itself can be quite variable.

Intertie and PDP customers currently prepay for their long-term firm point-to-point transmission service and will experience no change. Central Arizona Project long-term firm point-to-point, PDP network transmission service, and ED5-Palo Verde Hub facilities use customers will start prepaying for their service when the rate schedules become effective.

Monthly prepayment for long-term point-to-point transmission services will be based on transmission capacity reserved. The monthly prepayment for network transmission services will be based off the most recent service bill. Transmission customers that currently do not prepay for services will have two payments due each month during the first two months, one

for service in arrears and one for prepayments.

To help mitigate any potential financial burden on customers, DSW is proposing an optional four-month transitional period to phase-in prepayments. With a transitional period, the two additional prepayments that are necessary during the first two months will be evenly distributed over the first four months.

Next, please.

This slide provides a simplified prepayment diagram to illustrate that the first two initial months will be two months of payments. In this example, we are starting in October. The two months of two payments would be October and November. In October, the customer would receive their September service month's bill and their November service month's prepayment bill. Then in November, the customer would receive their October service month's bill and their December service month's prepayment bill. Then in December, the customer would receive their November service month's bill with a credit for their November prepayment bill they made in October. And they would also receive their January service month's prepayment bill.

In January, the customer would receive their December service month's bill with a credit for their December's prepayment bill they made in November and they would receive their February's prepayment bill. As you can see from the illustration, in December the customer will begin the single payment for service until the final month of service when no bill will be due from the customer.

I hope this simplified diagram outlines why there would be two payments due, the two initial months of service, and why our proposal includes an optional four-month transitional period. I will now turn the presentation back to Tina for a tentative timeline.

Next, please.

MS. RAMSEY: All right, thank you, Shannon. Here we have our timeline. The large shaded arrow in the background is to demonstrate the 90-day public comment and consultation period, which began on June 30th with that first box when we published our OTR proposal in the *Federal Register*.

Today is the Public Information Forum, which is that second box. And then on August 29th, we have

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the third box, which is our Public Comment Forum. And as a reminder, this is a opportunity, another opportunity to provide oral or written comments to our proposal. And there is no presentation during the Public Comment Forum, just an opportunity to provide comments.

Then our 90-day comment and consultation period ends on September 28, 2023, which is 90 days from June 30th. Once the comment and consultation period ends, WAPA will take into account all the comments and will either move towards publishing a final order or we will withdraw the proposal.

Lastly, resources. We wanted to include our contact information. So, please reach out to myself or my team who are listed on this slide for any questions or additional details that you may need. And I will now turn the meeting back over to Koji for the question and comment portion of the forum.

MR. KAWAMURA: Thank you, Tina, for the presentation to you and your staff. And at this point in time, I would like to open up the floor for questions but please keep in mind that your questions or comments

should be relevant to the proposed rates. And then WAPA may post any or all questions and answers which we will receive as part of this public comment, or public process.

Any questions that we will not be able to answer today, we will post those answers on the webpage. I gave you that web information a little bit earlier. Tina, I just want to verify there is no one in the room. And so, if there's no one in the room, we'll go ahead and start questions on the web.

MS. RAMSEY: Correct, there are no customers in the room.

MR. KAWAMURA: All right. And so, I am going to open up the floor for questions on the Teams site. If you can raise your virtual hand and I will go through those questions. I'll call on the hands that I see. After I go through the hands, if your hand doesn't work, we will try to open up the lines at the very end of the process and that way anyone who wasn't able to ask a question will be able to.

And so, with that I'm going to go on ahead and the first hand I see, let me see if I can get those

here, is Ken Saline. And if you can go on ahead and provide your name and organization which you represent so the court reporter can get that as part of the record. And so, we'll go on ahead and start with Ken Saline. If you can go on ahead and unmute yourself.

MR. SALINE: Sure, can you hear me?

MR. KAWAMURA: We can hear you fine.

MR. SALINE: So, I'm Kenneth R. Saline and I am with Electrical District No. 4 of Pinal County, Electrical District No. 7 of Maricopa County, Maricopa Water District, and Wellton-Mohawk Irrigation and Drainage District, and the Salt River Pima Maricopa Indian Community. And I'm going to provide a couple comments just so you'll make sure to understand my question.

So, my information question is can you identify, please, for us the revenue requirements of the CRSP transmission system? And I'll just say inside of Arizona would probably be the easiest way to do it because that's where the Four Corners hub is at. But if not, maybe at least Glen Canyon Dam down. And the reason is we'd like to see what happens in this OTR

rate. And we see the OTR rate as a good vehicle for the transition of Western from where it's been today to markets.

And so, therefore, those clients I'm representing, absent the Salt River Pima Maricopa Indian Community, are pancaked still under CRSP. And so, if we were able to combine those facilities and we'd like to see what the effect is to combine them into the rate, and we'd like to also make sure that the filing on this would enable that to occur because we believe then if we're going to eliminate pancaking, we have an opportunity to, you know, eliminate pancaking on the CRSP deliveries also. And we'd like to look at that. And we're in favor of it. So, thank you very much.

MS. RAMSEY: Yeah, thanks, Ken. We'll have to look at that data because currently the proposal does not include the CRSP transmission system.

MR. SALINE: And, Tina, you know, just I'd like to just see the data for now and make sure that as we file we could always enable it so that way your filings are, you know, sufficient to include it if by the filing time we get it done or afterwards if people

wanted to, then at least we don't have clean up the regulatory work twice. Thank you.

MS. RAMSEY: Okay, thank you, Ken.

MR. KAWAMURA: All right. The next question I see is from Leslie James. And again, if you can provide who you represent as part of your questions, that'd be great. Thank you. You can go on ahead and unmute yourself.

MS. JAMES: Thank you, Koji. This is Leslie James representing the Colorado River Energy Distributors Association, or CREDA. Just a comment, not a question. Thank you for providing that history in your -- earlier in your presentation about various efforts to combine rates down here. We were pretty actively engaged during 2020, and even before, in part because CRSP utilizes an Intertie contract for part of its delivery. So, we've been kind of watching the process.

My question, or my request, is just to ensure that we are included in any upcoming materials distribution or notifications for this process. So, thank you for that.

MR. KAWAMURA: Thank you. And at this point in time, I don't see any additional virtual questions or at least hands raised. And so, well, I mean, if you have a question go on ahead and unmute yourself and ask your question. Again, make sure that you provide who you are and who you represent as part of -- before you ask your question. And if you can't get onto the questions or if you can't unmute yourself, try dropping something in the chat and we'll go through that process right now. So, go on ahead and unmute yourself if you have a question.

All right. We're going to go, going once, I have no questions. Going twice and going a third time. And again, if you have additional questions or comments, you know, you can submit those questions and comments through the end of the comment period. So, at this point in time I would like to remind you that WAPA will be holding a Public Comment Forum. And at the Public Comment Forum, WAPA will receive oral and written comments.

WAPA will hold this public comment virtually at 10:00 a.m. Mountain Standard Time, August 29, 2023.

And again, that's 10:00 a.m. in Phoenix. And so, if you're on Mountain Daylight Time, it's Mountain Standard Time. So, keep that in mind.

In addition, at any time during the comment period you may submit written comments. All written comments must be submitted prior to the end of the consultation and comment period to be sure to be considered. Consultation and comment period closes on September 28, 2023. Written comments should be sent to Jack Murray, Regional Manager, Western Area Power Administration. It's P. O. Box 6457, Phoenix, Arizona 85005. Or you can email them to [dswpwrmrk@wapa.gov](mailto:dswpwrmrk@wapa.gov).

The presentation along with all supporting documents is available on WAPA's One Transmission Rate website. And that is [www.wapa.gov/regions/DSW/rates/pages/OTR.aspx](http://www.wapa.gov/regions/DSW/rates/pages/OTR.aspx). And again, keep an eye on that website for any notices, updates, or other announcements.

I'd like to thank everyone for their interest in today's forum. And this Information Forum is now closed and we can go off the record.

(Whereupon, at 11:57 a.m., the  
PROCEEDINGS were adjourned.)

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## CERTIFICATE OF NOTARY PUBLIC

I, Nate Riveness, do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Mark Mahoney

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

My Commission Expires: July 31, 2027

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