



August 14, 2023

Tina Ramsey
Rates Manager
Western Area Power Administration
Desert Southwest Region
615 S. 43rd Avenue
Phoenix, AZ 85009

Dear Ms. Ramsey:

Central Arizona Water Conservation District (CAWCD) is a multi-county water conservation district and political subdivision of the state of Arizona organized pursuant to A.R.S. §48-3701 et seq. for the purposes, among others, of contracting with the United States for the delivery of Central Arizona Project (CAP) water, repayment of CAP costs and operation and maintenance of the CAP aqueduct. CAWCD has had a contractual relationship with WAPA since the first water deliveries from the CAP were made over 30 years ago. Currently, CAWCD has reservations on the Parker-Davis Project, Western Intertie, and CAP transmission systems totaling over 700 Megawatts (MW) of capacity.

Historically, CAWCD has had to pay transmission rates on each of the previously mentioned systems to move energy generated at Hoover Dam to CAP pumping plants located across the state from Lake Havasu to south of Tucson – an issue known as rate pancaking. As WAPA moves to implement the One Transmission Rate (OTR), rate pancaking will be eliminated for CAWCD, and our total capacity reservation on WAPA systems will decrease to 540MW.

Based on initial estimates provided by WAPA, these changes will result in significant cost savings for CAWCD – approximately \$40 million over the next 10 years. The savings realized from instituting the OTR will help CAWCD keep operating costs down, which is a direct benefit to its subcontractors. CAWCD fully supports WAPA's implementation of the One Transmission Rate, and we are grateful for the opportunities to date to participate in the stakeholder review process.

Regards,

A handwritten signature in black ink, appearing to read "Jay Johnson", with a long horizontal flourish extending to the right.

Jay Johnson
General Counsel