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Western Area Power Administration

Public Comment Forum

for the proposed SLCA/IP Firm Power Rate and
CRSP Transmission and Ancillary Services Rates

(Rate Action WAPA-206)

August 15, 2023 12:02 P.M. MDT

Stenographically recorded by Christina Essi, Registered
Professional Reporter

1 -o0o-

2 MR. UPDEGRAFF: Hello, everyone. Welcome
3 again. Let's now go on the record and open today's
4 public comment forum. My name is Trevor Updegraff and
5 I am an attorney with the Western Area Power
6 Administration's Office of General Counsel in Lakewood,
7 Colorado, and I am the Moderator for this forum.

8 As noticed in the June 22nd, 2023 Federal
9 Register at Volume 88, Number 119, page 40,813, this
10 public comment forum has been scheduled so that you will
11 have the opportunity to provide formal comments on the
12 proposed adjustments for the firm power rates for Salt
13 Lake City Area integrated projects and for Colorado River
14 Storage Project transmission and ancillary services and
15 sale of surplus product rates. The proposed adjustments
16 to these are scheduled to be effective January 1st, 2024.
17 The public information forum for these proposed rate
18 adjustments was held in-person and virtually on
19 July 19th, 2023. For additional information, you may
20 also wish to refer to the rate brochure. The latest
21 version was sent to interested parties by email and
22 posted to our public website today, August 15th, 2023.

23 Let me now give you an overview of today's
24 comment forum. And thanks for advancing those slides for
25 me. There will not be any formal presentation by WAPA's

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1 staff today; however, I am pleased to introduce Mr. Brent
2 Osiek as CRSP's Power Marketing Manager and also Mr. Tony
3 Henriquez, Ms. Christiana Kelley, and Ms. Tamala Gheller,
4 all from CRSP's Rates Office who have joined us here
5 today.

6 As this is a comment forum, there will not be
7 a formal opportunity for a question and answer session in
8 general, although the public may submit questions later,
9 along with comments, and such questions may be answered
10 by WAPA later in the public process.

11 The purpose of this forum is to take formal
12 comments from the public. And I will moderate the
13 comment session and anticipate we should have more than
14 adequate time to allow everyone who wishes to provide
15 comments today to do so. Please do be aware that a
16 verbatim transcript of today's forum is being prepared by
17 a court reporter and this meeting is also being recorded.
18 So everything said while we are in session today will be
19 part of the official record. Copies of today's
20 transcript will be available to anyone who wants a copy
21 and WAPA will post the transcript to the WAPA 206
22 website. For those who may be joining us by phone that
23 website address is
24 <https://www.wapa.gov/regions/CRSP/rates/pages/rates.aspx>.
25 We're happy to accept comments in various formats.

1 If you'd like to verbally provide comments,
2 please use the hand raise feature in the Teams platform
3 by selecting the hand icon in your task bar. If you're
4 attending only by phone, you can also speak up and please
5 note that you may need to press star 6 on your end to
6 unmute. And I'll prompt a time for any phone attendees
7 to provide comments. We'll then call on you to provide
8 your comment. And please start all comments by stating
9 your name and identifying any party you may be
10 representing. You are also welcome to provide comments
11 in the chat function in Teams. To do that, first open
12 the chat window, then type your name and any associated
13 party you may represent, followed by your comment in the
14 text box, and then press the enter key to submit your
15 question or use the send arrow in the bottom right of
16 your screen.

17 We will also gladly accept written comments
18 through the close of the comment period. These comments
19 should be sent to Mr. Rodney Bailey, the Colorado River
20 Storage Project Management Center Manager, at 1800 South
21 Rio Grande Avenue, Montrose, Colorado 81401. Email
22 comments should be sent to email address
23 crsPMC-rate-adj@wapa.gov. Any written comments should be
24 mailed so that they are received by September 1st, 2023.
25 And you may obtain further information from Mr. Osiek by

1 either contacting him at the same physical address as
2 Mr. Bailey or calling 970-240-6541. You can email Brent
3 as well at osiek@wapa.gov. You can also get further
4 information by periodically going to WAPA's website under
5 a section entitled Rate Adjustments: WAPA-206. And the
6 URL for that, bear with me, is
7 <https://www.wapa.gov/regions/crsp/rates/pages/rates.aspx>.

8 As a reminder, please note that all comments
9 should be relevant to the proposed rate adjustment and,
10 as the Moderator, I do reserve the right to disallow
11 comments that are not relevant to today's forum. Also,
12 if you speak from prepared text, it would benefit the
13 court reporter if you could provide a written copy of
14 your comments at the close of the forum. Our staff may
15 also ask clarifying questions of you regarding your
16 comments.

17 Finally, at the close of the comment period,
18 WAPA's representatives will review all the information,
19 comments, and exhibits that have been received regarding
20 this process. WAPA will then announce its decision in
21 the Federal Register after close of the comment period
22 and comments made during this public process will be
23 discussed in this announcement.

24 So that's the format for today. We now look
25 forward to taking your comments. Okay, I see a hand

1 raised from Leslie. Leslie, please go ahead.

2 LESLIE JAMES: Thank you. I'm Leslie James.
3 I'm Executive Director of the Colorado River Energy
4 Distributors Association, or CREDA. I'm providing these
5 truncated comments today which will be followed with
6 formal written comments in advance of the deadline,
7 September 1st. Thank you for the opportunity to provide
8 comments today. CREDA is a non-profit organization that
9 represents about 80 percent of the firm power delivered
10 from the Colorado River Storage Project. CREDA members
11 serve about 4.1 million customers in six western states.
12 As you know, the Colorado River Basin hydrology has been
13 extremely challenging over the last few years,
14 notwithstanding the amazing spring that we have seen this
15 year. I am going to speak to about four comment areas in
16 particular and, as I said, we will be following up with
17 additional written comments.

18 Of importance to this rate case, WAPA 206, is
19 the August 24-month study that will be rolled out a
20 little bit later this afternoon, in fact. And we expect
21 that information from that 24-month study will be taken
22 into consideration as WAPA prepares its final information
23 for this rate case. We appreciate WAPA's work with us
24 and with Reclamation pursuant to the 1992 Work Program
25 Agreement and Work Program Review Process. As WAPA has

1 noted in the rate brochure associated with WAPA 206, the
2 work plan review should be completed in time to be
3 included in the final rate. We request that WAPA
4 continue to refine and reflect expense reductions in the
5 work plans as they become available, including any
6 projects -- or, any updates to project use, power data,
7 reduced Salinity Control Program obligations, offsetting
8 revenue amounts, and any other updates in the Power
9 Repayment Study until the latest possible date available
10 to ensure the lowest possible rate consistent with sound
11 business principles.

12 As we recognize in the current existing WAPA
13 199 rate, that structure in part was primarily to
14 maintain a sufficient balance in the Upper Colorado River
15 Basin Fund. The obligation and responsibility of
16 replacement power under WAPA 199 was a significant shift
17 to the customers. And since we've had almost two years
18 of operating experience under that paradigm, CREDA
19 suggests that the \$5 million per year for purchase power
20 may not be necessary and we recommend that WAPA consider
21 a lesser amount following analysis of the August 24-month
22 study, some additional conversation, and CREDA may
23 provide a recommendation after we have had a chance to
24 review the results of the August 24-month study and had
25 additional conversation amongst the members.

1 Next point, CREDA understands that legislative
2 changes supported by the seven Colorado River Basin
3 states are in process for the Colorado River Salinity
4 Control Program which changes center around
5 non-reversibility in reducing the Upper Colorado River
6 Basin Fund obligation to that program. Based on our
7 understanding of those revisions, CREDA requests that
8 \$1.624 million be removed from the other expenses
9 category in the WAPA 206 Power Repayment Study.

10 Lastly, given the uncertain elements,
11 including several NEPA processes that are underway and
12 that will be beginning, as well as the uncertainty of the
13 August 24-month study at this point, CREDA recommends
14 that the WAPA 206 rate be implemented over two years
15 instead of a 5-year term. The two-year term that was
16 associated with WAPA 199 was appropriate given the
17 uncertainties and the significant changes occurring in
18 that rate structure present at the time it was
19 implemented, and certainly we have as many or more
20 uncertainties with processes, legislation, and hydrology
21 that exists today as they did when WAPA 199 was
22 implemented.

23 We really appreciate the extent to which the
24 CRSP Management Center and the Upper Colorado Region of
25 Reclamation have engaged in meaningful dialogue with

1 CREDA to address drought and financial impacts to the
2 CRSP Basin Fund as well as the Power Repayment Study and
3 rates. This collaboration we like to refer to as the
4 three-prong stool approach and it really takes on
5 heightened importance given the current hydrology, given
6 the new and ongoing NEPA processes, given the legal and
7 political/congressional actions that may be occurring and
8 challenges to all of us in the need to develop a
9 long-term sustainable approach that rebalances the
10 obligation and role of federal hydropower revenues in
11 supporting federal priorities. We thank you for to the
12 opportunity of providing comments and we appreciate the
13 collaboration through WAPA 206 processes. Thank you.

14 [Thereupon, the Reporter's local power failed
15 and was subsequently disconnected from the meeting at
16 12:16 p.m. MDT]

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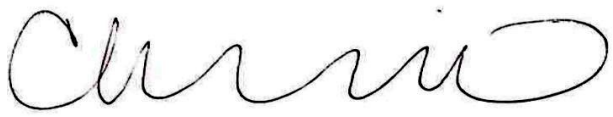
I, Christina Essi, a Certified Shorthand Reporter and Registered Professional Reporter, hereby certify:

That the foregoing proceedings were taken before me at the time and place therein set forth; that the proceedings were taken down by me in shorthand and thereafter my notes were transcribed through computer-aided transcription; and the foregoing transcript constitutes a full, true, and accurate record of such oral proceedings had, and of the whole thereof.

I further certify that I am not a relative or employee of any attorney of the parties, nor do I have a financial interest in the action.

- () Review and signature was requested.
- () Review and signature was waived.
- (X) review and signature was not requested.

In witness thereof, I have subscribed my name on this 23rd day of August, 2023.



Christina Essi, RPR, CSR

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