



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

Dear Firm Electric Service Customer:

Western Area Power Administration (WAPA) rate schedule, placed into effect January 1, 2023, under Rate Order No. WAPA-202, states WAPA will complete an annual drought adder review for the Loveland Area Projects (LAP) Firm Electric Service Rate Drought Adder component. As noted in our June 14, 2023, letter regarding our annual review process, WAPA reviewed the Drought Adder component and provided notice to our customers of no estimated change to the Drought Adder component charge for 2024. In October, WAPA completes the annual review process and makes a final determination of any change to the Drought Adder component charge for the coming year.

This letter is to provide notice to our customers that WAPA has completed its annual review of the Drought Adder component and determined the Drought Adder component charge of the LAP Firm Electric Service rate will not change for the coming year beginning January 1, 2024. The charges for the LAP Firm Electric Capacity and Energy rates are as follows:

|                         | <b>Capacity<br/>(\$/kW month)</b> | <b>Energy<br/>(mills/kWh)</b> | <b>Change</b> |
|-------------------------|-----------------------------------|-------------------------------|---------------|
| Base Component          | \$4.36                            | 16.63                         | --            |
| Drought Adder Component | \$0.44                            | 1.68                          | --            |
| Total Rate              | \$4.80                            | 18.31                         | --            |

Please note, WAPA may be initiating a public process in 2024. One of the major pieces of data we need before making the final decision is the updated generation projections provided by the Corps of Engineers and the Bureau of Reclamation. Once we receive this data, typically in December, we will be able to determine if a rate adjustment is necessary for January 2025. If determined necessary, customers will be notified thru WAPA's public process notification procedures and all public meeting information will be posted on our website when information is available. Information concerning the firm electric service rate can be found on our website at [www.wapa.gov/regions/RM/rates/Pages/Loveland-area.aspx](http://www.wapa.gov/regions/RM/rates/Pages/Loveland-area.aspx).

If you have any questions concerning this notice, please contact me at (970) 685-9562 or [scook@wapa.gov](mailto:scook@wapa.gov).

Sincerely,

Sheila D. Cook  
Rates Manager  
Rocky Mountain Region