

From: [DSW-PowerMarketing](#)
Cc: [DSW-Senior Leadership Team](#); [DSW-G6000Group](#); [DSW-G8000Group](#); [RMR-J7000](#); [RMR-J7300](#)
Subject: DSW One Transmission Rate
Date: Friday, December 1, 2023 2:56:22 PM

Dear Desert Southwest Region Customers and Interested Parties,

The Administrator of Western Area Power Administration (WAPA) has approved the formula rates for the One Transmission Rate (OTR) which combines the transmission service rates and facilities use charge of projects within the Desert Southwest Region (DSW). These projects include the Central Arizona Project (CAP), Electrical District No. 5 to Palo Verde Hub Project (ED5-PVH), Pacific Northwest-Pacific Southwest Intertie Project (Intertie), and Parker-Davis Project (PDP).

The new provisional formula rates are effective on January 1, 2024. WAPA anticipates publication of this rate action under Rate Order No. WAPA-209 in the *Federal Register* by December 11, 2023. DSW will notify and provide a copy of this notice to customers and interested parties when available.

Consistent with information presented during the public rate-setting process, DSW has combined the transmission revenue requirements and long-term sales for CAP, ED5-PVH, Intertie, and PDP to calculate the OTR. The following table contains the applicable rates and the combined annual revenue requirement for fiscal year (FY) 2024. The rates equal the amounts presented at the public information forum and the revenue requirement for Network Integration (Network) is nearly the same.

Rate Schedule	Transmission Service	FY 2024
DSW-FT1	Long-Term and Short-Term Firm Point-to-Point ¹	\$20.76 /kW-Year \$1.73 /kW-Month \$0.40 /kW-Week \$0.06 /kW-Day 2.37 mills/kWh
DSW-NFT1	Nonfirm ¹	2.37 mills/kWh
DSW-NTS1	Network ²	\$106,431,069
¹ Monthly charge determined by applying the applicable rate to the capacity reserved. ² Monthly charge equals customer's load ratio share times one twelfth (1/12) of the combined annual transmission revenue requirement.		

The PDP rate schedules for firm electric service (FES) and firm transmission service of Salt Lake City Area/Integrated Projects (SLCA/IP) power were revised to align with DSW's OTR. No

changes were made to FES charges for energy or capacity. The charges for FES transmission and firm transmission service of SLCA/IP power have changed. The following table contains the PDP charges that will be effective on January 1, 2024.

Rate Schedule	Service	FY 2024
PD-F8	Firm Electric Energy Capacity Composite Transmission	12.31 mills/kWh \$5.39 /kW-Month 24.62 mills/kWh \$1.73 /kW-Month
PD-FCT8	Firm Transmission of SLCA/IP Power	\$1.73 /kW-Month

Information concerning these rates and charges will be available on WAPA’s website at <https://www.wapa.gov/about-wapa/regions/dsw/rates/otr>. Annual updates to the OTR formula rates will be coordinated with DSW transmission customers through informal rate meetings going forward. At the informal rate meetings, WAPA will present and discuss detailed information about the inputs to the formula rates and seek customer feedback.

Under Rate Schedules DSW-FT1 and DSW-NTS1, prepayment of long-term firm point-to-point and network integration transmission service is required. DSW anticipates issuing invoices in early January for the February service month. DSW’s Finance office will be providing details regarding the optional four-month transitional period to phase in prepayments for transmission customers that currently do not prepay for service. Customers with prepayment questions may contact DSW’s Finance office at DSW_Finance@wapa.gov.

If you have any questions, please feel free to contact me.

Sincerely,

Tina Ramsey | Rates Manager

Western Area Power Administration | Desert Southwest Region
 (O) 602.605.2565 | (M) 602.616.3505 | [ramsey\[at\]wapa.gov](mailto:ramsey[at]wapa.gov)

