

Customer Brochure

*Provisional Rates for:
SLCA/IP Firm Power
CRSP Transmission
Ancillary Services
and
Sales of Surplus Products
Rate Order No. WAPA-206*



**Western Area
Power Administration**

**Colorado River Storage Project
Management Center**

January 2023

**WAPA-206
Final Rates**

December 2023 Brochure Notes

Updated throughout rate process as changes are made to brochure.

Changes being made in WAPA-206:

- Continued use of Deliverable Sales Amount (DSA) and WAPA Replacement Firming (WRF) with quarterly updates
- 5-year rate vs. existing 2-year rate currently in effect
- Market energy transactions in Rate, \$5M/year FY2024-FY2028
- Use of FY25 Workplans

Summary of changes from the September 2023 Version:

- Proposed rates changed to Provisional rates due to WAPA's Administrator signing the FRN package. The Proposed and Final rate actions were announced in their respective *Federal Register* notices:
 - [WAPA-206 Proposal FRN, published June 22, 2023](#)
 - [WAPA-206 Final FRN, published November 27, 2023](#)

Please note: all proposals and proposed rates are tentative until signed by WAPA's Administrator. At that point, they become provisional rates until the Federal Energy Regulatory Commission (FERC) confirms and approves them on a final basis. The CRSP MC will notify customers and interested parties when revisions to the brochure and supporting documentation on the rate action are posted to the website to provide transparency and up-to-date information.

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Materials Posted on Web Site

<https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>

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I. Introduction

Western Area Power Administration's (WAPA) Colorado River Storage Project Management Center (CRSP MC) is proposing a rate adjustment for firm power service of the Salt Lake City Area Integrated Projects (SLCA/IP) under Rate Order No. WAPA-206. The CRSP MC is also proposing to renew the existing CRSP transmission service and ancillary service rates to have all CRSP electrical power service rates expire coincidentally.

The expiration of firm power service rate schedule SLIP-F12 is driving this rate action. SLIP-F12 rates, under Rate Order No. WAPA-199¹, expire December 31, 2023. Other factors addressed by this rate action include increased purchase power due to market energy transactions related to incidental firming and increased annual operation and maintenance (O&M) expenses.

The WAPA-206 composite rate using the Bureau of Reclamation's (Reclamation) *August 24-month Study* resulted in a 3-percent composite rate increase from the current composite rate of 30.51 mills/kilowatthour (kWh) under Rate Schedule SLIP-F12 to 31.38 mills/kWh. WAPA is proposing no change to the billed rates under the proposed Rate Schedule SLIP-F13.

The provisional rates will provide adequate revenue to pay all annual operating expenses including operation and maintenance (O&M) costs, purchase power, transmission, ancillary services, and interest expenses. In addition, the provisional rates will provide sufficient revenue for repayment on capital investments, and irrigation assistance obligations, as applicable, within the allowable time prescribed in RA 6120.2 and the Federal Replacements Units, Service Lives, Factors (Replacement) Book. The provisional rates are scheduled to go into effect on January 1, 2024, and will expire on December 31, 2028.

As implemented under WAPA-199, a component of this rate action is that the CRSP MC will continue to determine the Deliverable Sales Amount (DSA) equal to marketable generation levels. The DSA will be determined quarterly, and each customer will receive its proportionate share of the marketable hydropower capacity and energy. WAPA will provide Western Replacement Firming (WRF) purchase power to the Firm Electric Service Customers (Customers) on a pass-through cost basis up to sustainable hydropower (SHP) levels, with no additional administrative fees or charges for losses, on a quarterly basis. Customers have the option of receiving either the DSA amount or the combined DSA and WRF amount each quarter.

Under WAPA-199, WAPA modified the language of the Cost Recovery Charge (CRC) to enable WAPA to implement a CRC throughout the year. WAPA also modified language to ensure a CRC is reassessed when a new rate is implemented and subsequently continue, supersede, or terminate the CRC as warranted.

¹ See Docket No. EF 22-1-000 (179 FERC ¶ 62,085 (2022))

This rate action proposal was announced in a *Federal Register* notice (FRN), published June 22, 2023, followed by publication of the Final FRN, November 27, 2023. Both are included as an appendix in this brochure. The provisional rates are explained in greater detail in this rate brochure. Versions prior to this final brochure, along with supporting documentation for the WAPA-206 rate action, is posted on the rate action website:

<https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>.

References to this supporting documentation are found throughout this rate brochure.

The components of this rate action do not imply any interpretation of or waiver of any of the terms and conditions of the Firm Electric Service contracts. In the event of a conflict with the provisions of this WAPA-206 rate action and the Firm Electric Service contracts, the provisions of the Firm Electric Service contracts shall prevail. Each Customer shall retain all rights, privileges, and available remedies pursuant to the terms of its Firm Electric Service contract regardless of action taken by, though, or in response to WAPA-206.

Rate Adjustment Schedule

Table 1 displays the schedule for processing the WAPA-206 rates action..

Table 1 - CRSP MC's Final Rate Adjustment Schedule

Procedure	Schedule	Status
Publication of the Federal Register Notice of Proposed Rate	June 22, 2023	Complete
Public Information Forum	July 19, 2023	Complete
Public Comment Forum (1 st)	August 15, 2023	Complete
Public Comment Forum (2 nd)	September 19, 2023	Complete
End of Extended Comment Period	October 3, 2023	Complete
Publication of Provisional Rate FRN	November 27, 2023	Complete
Notice of Rate Provided to Customers	November 27, 2023	Complete
Rate Effective	January 1, 2024	In effect on an interim basis pending FERC approval.

Summary of Changes

CRSP Firm Power Rate: WAPA proposed no change to the billed rates under provisional Rate Schedule SLIP-F13. Pursuant to the '92 Agreement among the Colorado River Energy Distributors Association (CREDA), Reclamation, and the CRSP MC, the FY 2025 WAPA and Reclamation's Work Plans have been reviewed and are included in the FY 2023 Preliminary PRS. The FY 2023 Preliminary PRS is the rate-setting study being used for this rate adjustment process. For the final FRN, Reclamation's *August 2023 24-month Study and April CRMMS traces* were used to determine projections of energy sales.

Power Projections: For the final FRN, WAPA used Reclamation's *August 2023 24-month Study and May CRMMS/ traces* to project generation levels for this 5-year rate setting period, CY 2024 through CY 2028.

CRSP Transmission Rate: No changes were proposed to the CRSP transmission formula rate under Rate Schedule SP-PTP 9, currently in effect through December 31, 2023. To align with the other rates under this rate action, the proposed formula rate under Rate Schedule SP-PTP 10 will supersede the existing formula rate for a 5-year period, effective January 1, 2024, through December 31, 2028.

WAPA provided notice of the FY 2024 Transmission Rate on August 31, 2023, as part of its normal annual-formula-rate update. See section [VI. Appendices](#) for the proposed transmission rate schedules.

Proposed CRSP & SLCA/IP Rate Schedule Updates

This rate action will put the following new CRSP and SLCA/IP Rate Schedules into effect for a 5-year period beginning January 1, 2024, through December 31, 2028. The SLIP-F13 FES Rate schedule is proposed to be effective through the 5-calendar years, all other schedules will continue to be updated annually on a fiscal year basis.

1. SLIP-F13 Schedule of Rates for Firm Power Service
Supersedes Rate Schedule SLIP-F12
2. SP-NW6 Network Integration Transmission Service, Attachment H to Tariff
Supersedes Rate Schedule SP-NW5
3. SP-NFT9 Non-Firm Point-to-Point Transmission Service, Schedule 8 to Tariff
Supersedes Rate Schedule SP-NFT8
4. SP-EI6 Energy Imbalance Service, Schedule 4 to Tariff
Supersedes Rate Schedule SP-EI5
5. SP-SSR6 Operating Reserves – Spinning and Supplemental Reserve Services, Schedules 5 & 6 to Tariff
Supersedes Rate Schedule SP-SSR5
6. SP-SS2 Sale of Surplus Products
Supersedes Rate Schedule SP-SS1
7. SP-PTP10 Firm Point-To-Point Transmission Service, Schedule 7 to Tariff
Supersedes Rate Schedule SP-PTP9
8. SP-UU3 Unreserved Use Penalties, Schedule 10 to Tariff
Supersedes Rate Schedule SP-UU2
9. SP-NFJDT Joint Dispatch Transmission Service
Supersedes Joint Dispatch Transmission Service SP--NFJDT under WAPA-195.

II. Proposed SLCA/IP Firm Power Rates

Background

SLCA/IP consists of the CRSP, Collbran, and Rio Grande projects, which were integrated for marketing and ratemaking purposes on October 1, 1987, and two participating projects of the CRSP that have power facilities – the Dolores and Seedskadee projects. Each of the SLCA/IP power facilities are described in the supporting documentation.

The Power Repayment Study (PRS) is used to determine if projected power revenues will be sufficient to pay project costs assigned to power within the prescribed repayment period. Annual revenue requirements and hydropower resources from the integrated and participating projects are added to the CRSP PRS to create the SLCA/IP PRS. Because CRSP produces approximately 97 percent of total SLCA/IP hydropower generation, the hydrological information discussed in this brochure relates only to CRSP, unless otherwise stated. An executive summary of the proposed ratesetting PRS is provided in the supporting documentation.

The firm power rate must return an annual amount of revenue to meet the repayment of power investment, payment of interest, purchased power, operation, maintenance and replacement expenses, and the repayment of irrigation assistance costs, as required by law. WAPA uses pinch point repayment methodology to solve for a rate in the year(s) where the highest amount of revenue is required. The energy and capacity rates in the pinch point year solve for the whole PRS and are applied to every year in the study.

SLCA/IP firm power rates under Rate Schedule SLIP-F12 became effective on an interim basis on December 1, 2021, and were approved by FERC on May 12, 2022. This rate schedule consists of an energy charge of 12.36 mills/kWh and a capacity charge of \$5.25/kilowattmonth (kWmonth). The composite rate, which is for comparison purposes only and not used for billing purposes, is 30.51 mills/kWh. It is determined by dividing the average annual net revenue requirements through the pinch point year by the average energy delivered through the pinch point year. The pinch point year for SLIP-F12 is 2045.

As of August 2023, WAPA's projected firm energy sales to its SLCA/IP Customers is 4,755 gigawatt-hours (GWh) average/year. The average peak seasonal Contract Rate of Delivery (CROD) is 1,361 megawatts (MW). The CRSP MC's firm power deliveries, including Reclamation's project use loads, total 5,239 GWh and 1,428 MW.

To adequately recover and maintain a sufficient balance in the Basin Fund, WAPA proposes to continue the CRC. The CRC is a charge, as determined by [Table 11](#) and [Table 12](#), on DSA energy that may be implemented when the Basin Fund's balance is at risk due to circumstances such as low hydropower generation, high prices for firming DSA, and emergency funding for capitalized investments.

Provisional Rate

The Preliminary FY 2023 SLCA/IP PRS is used as the ratesetting PRS for this rate process, which contains FY 2022 financial data and the FY 2025 WAPA and Reclamation work program data, and the proposed changes to the rates process in accordance with the '92 Agreement among WAPA, Reclamation, and CREDA that implemented procedures for customer review of work program data relating to SLCA/IP rates, the work plan reviews were completed in time to be included in the final rate,

The provisional composite rate, as published in the *Federal Register* notice, is 31.38 mills/kWh using the *August 2023 24-month Study*. Table 2 below displays the WAPA-206 firm power rate progression based on subsequent 24-month studies throughout the WAPA-206 rate process.

Table 2 - Comparison of SLIP-F12 and Provisional SLIP-F13 Firm Power Rates

Rate Action/ 24-month Study	Rate Schedule	Energy (mills/kWh)	Capacity (\$/kWmonth)	Composite (mills/kWh)	Work Plan
WAPA-199 Final FRN*	SLIP-F12	12.36	5.25	30.51	FY 2022
WAPA-206 Proposal FRN **	SLIP-F13	12.36	5.25	31.14	FY 2025
WAPA-206 July Update ***	SLIP-F13	12.36	5.25	31.36	FY 2025
WAPA-206 August Update ****	SLIP-F13	12.36	5.25	31.38	FY 2025
WAPA-206 Final FRN *****	SLIP-F13	12.36	5.25	31.38	FY 2025

* SLIP-F12, August 2021 24-month Study

** SLIP-F13, April 2023 24-month Study - included in the Proposal FRN published in the *Federal Register*. June 22, 2023.

*** SLIP-F13, April 2023 24-month Study

**** SLIP-F13, August 2023 24-month Study

***** SLIP-F13, August 2023 24-month Study – included in the Final FRN published in the *Federal Register*. November 27, 2023.

Table 3 provides a summary comparison of revenue requirements and firm power rates between the WAPA-199 (SLIP F-12) and WAPA-206 (SLIP F-13) provisional rate PRSs. Following Table 3 is a detailed discussion of the changes in annual revenue requirements.

Table 3 - SLCA/IP Annual Revenue Requirements and Firm Power Rates Comparison

Salt Lake City Area Integrated Projects						
Annual Revenue Requirements and Firm Power Rates Comparison Table						
Note	Item	Unit	WAPA 199	WAPA-206	Change	
			2023 Workplan	2025 Workplan	Amount	Percent
	Rate Setting Period:					
	Beginning year	FY	2022	2024		
	Pinchpoint year	FY	2045	2045		
	Number of rate setting years	Years	24	22		
	Annual Revenue Requirements:					
	<i>Expenses</i>					
	Operation and Maintenance:					
^{/1}	Western	1,000	\$63,912	\$67,954	\$4,042	6.3%
^{/1}	Reclamation	1,000	\$39,183	\$43,594	\$4,411	11.3%
	Total O&M	1,000	\$103,095	\$111,548	\$8,453	8.2%
^{/2}	Purchased Power	1,000	\$833	\$1,136	\$303	36.4%
	Transmission	1,000	\$8,984	\$7,000	(\$1,984)	-22.1%
	Integrated Projects requirements	1,000	\$7,043	\$7,501	\$458	6.5%
	Interest	1,000	\$6,207	\$11,152	\$4,945	79.7%
^{/3}	Other	1,000	\$13,547	\$13,508	(\$39)	-0.3%
	Total Expenses	1,000	\$139,709	\$151,845	\$12,136	8.7%
	<i>Principal payments</i>					
	Deficits	1,000	\$838	\$0	(\$838)	0.0%
	Replacements	1,000	\$29,581	\$13,702	(\$15,879)	-53.7%
	Original Project and Additions	1,000	\$1,846	\$936	(\$910)	-49.3%
^{/4}	Irrigation	1,000	\$9,223	\$13,756	\$4,533	49.1%
	Total principal payments	1,000	\$41,488	\$28,394	(\$13,094)	-31.6%
	Total Annual Revenue Requirements	1,000	\$181,197	\$180,239	(\$958)	-0.5%
	<i>(Less Offsetting Annual Revenue:)</i>					
	Transmission (firm and non-firm)	1,000	\$16,139	\$19,165	\$3,026	18.7%
^{/5}	Merchant Function	1,000	\$9,194	\$6,797	(\$2,397)	-26.1%
^{/6}	Other	1,000	\$4,835	\$5,043	\$208	4.3%
	Total Offsetting Annual Revenue	1,000	\$30,168	\$31,005	\$837	2.8%
	Net Annual Revenue Requirements	1,000	\$151,029	\$149,234	(\$1,795)	-1.2%
^{/7}	Energy Sales	MWH	4,949,557	4,755,255	(194,302)	-3.9%
	Capacity Sales	kW	1,428,850	1,434,905	6,055	0.4%
	Composite Rate	mills/kWh	30.51	31.38	0.87	2.9%
	Energy Rate	mills/kWh	12.36	12.36	0.00	0.0%
	Capacity Rate	kW-month	5.25	5.25	0.00	0.0%
^{/1}	Used WAPA's and Reclamation's FY25 Work Plans					
^{/2}	FY 2024-28 are rounded average costs based on Actuals for FY 21 and FY 22, and estimated actuals for FY 23					
^{/3}	Includes the cost of salinity, unfunded federal benefits costs, and MOA costs.					
^{/4}	Aid to Irrigation plus Aid to Participating Projects					
^{/5}	Includes transaction fees and resale energy.					
^{/6}	Other revenues include ancillary services such as spinning reserves, facility use charges, and other misc. service charges.					
^{/7}	Generation based on Reclamation's August 2023 24 Month Study for FY 24 and FY25, and May CRMMS T traces FY 26-28, Project Use included in generation					

Changes in Annual Revenue Requirements

Revenue Requirements

The net annual revenue requirements decreased by an estimated \$1.8M. The WAPA-206 provisional rate setting PRS calculates \$149.2M in net required revenues in comparison to the WAPA-199 requirement of \$151M. Table 4 below provides details.

Table 4 – Net Annual Revenue Requirements

	Unit	WAPA 199	WAPA-206	Change	
		2023 Workplan	2025 Workplan	Amount	%
Total Expenses	1,000	\$139,709	\$151,845	\$12,136	9%
Total principal payments	1,000	\$41,488	\$28,394	(\$13,094)	-32%
Total Annual Revenue Requirements	1,000	\$181,197	\$180,239	(\$958)	-1%
(Less Total Offsetting Annual Revenue)	1,000	(\$30,168)	(\$31,005)	(\$837)	3%
Net Annual Revenue Requirements	1,000	\$151,029	\$149,234	(\$1,795)	-1%
Energy Sales	MWH	4,949,557	4,755,255	(194,302)	-4%
Composite Rate	mills/kWh	30.51	31.38	0.87	3%

(Further details and documentation regarding each of the following elements of revenue requirements are available in the supporting documentation).

Ratesetting Period

The provisional rate includes a ratesetting period of 22 years (2024-2045) as compared to a 24-year (2022-2045) ratesetting period for the current rate since the pinch point year, i.e., the year(s) with the largest revenue requirements.

Annual Expenses

Operation and Maintenance Costs

Yearly projected O&M costs increased by approximately \$8.5M per year, which is an 8-percent increase. This increase is based on the average annual O&M amounts projected through the ratesetting period. The annual amounts are derived from the FY 2025 work plans for both WAPA and Reclamation.

Summary tables of the WAPA and Reclamation work plans used in the provisional rate are included in the supporting documentation.

Purchased Power

When WAPA-206 goes into effect January 1, 2024, WAPA plans to continue to mostly forgo purchased power expenses in the WAPA-206 rate and will provide a quarterly DSA based on generation in the most currently updated 24-month study results (See Chart 1). WAPA has included a small amount of expense to represent the inefficiencies of market transactions and incidental firming costs associated with DSA energy scheduling.

WAPA will continue to provide a pass-through cost option (WRF) to purchase firming power from the DSA level up to SHP levels for requesting Customers. The WRF is equal to the foregone purchases and allows each Customer to elect to receive the WRF for the entire quarter or select specific months within a quarter. There is no option to request WRF on a month-to-month basis. WAPA will purchase power to firm up to the DSA level each quarter. Firming to the DSA level does not impact the rate, however, it does impact the balance of the Basin Fund. WAPA will continue to offer its Western Replacement Power (WRP) and Customer Displacement Power (CDP) programs in the SLIP F-13 rate schedule.

WAPA used Reclamation's *August 24-Month Study* to project purchased power requirements and sales for the remainder of FY 2024 thru December FY 2028.

Table 5 shows changes in purchased power costs and future estimates. Purchase power amounts in FY 2022 are for October and November 2021, which occurred before WAPA-199 and the DSA concept was implemented, are included because the PRS only considers fiscal years.

Table 5 - SLCA/IP Purchased Power Comparison in the Ratesetting Period

	WAPA 199	WAPA-206
	Expense	Expense
	Pinch point FY 2045	Pinch point FY 2045
FY	(\$1,000)	(\$1,000)
2022	\$ 20,003	
2023	\$ -	
2024	\$ -	\$ 5,000
2025	\$ -	\$ 5,000
2026	\$ -	\$ 5,000
2027	\$ -	\$ 5,000
2028	\$ -	\$ 5,000
2029 – 2045	\$ -	\$ -
	\$ 833	\$ 1,136
	Average 2022-2045	Average 2024-2045

Note: [Table 8](#) shows changes to projected sales based on projected generation.

Deliverable Sales Amount

To increase flexibility for customers and to reduce firming purchases due to hydropower forecasting errors, WAPA will continue to update the DSA quarterly and provide updated capacity and energy information to the Customers. WAPA will purchase firming power up to DSA level if needed. While the DSA will change quarterly, the WAPA-206 rates will not change without being superseded in a subsequent rate action.

Table 6 - Deliverable Sales Amount Quarterly Updates to Customers

Quarter	24-Month Study	Customer Notification (estimated)	Start Date
Q2 Jan-Mar	<i>November</i>	November 20 th	January 1
Q3 Apr – Jun	<i>February</i>	February 20 th	April 1
Q4 Jul -Sep	<i>May</i>	May 20 th	July 1
Q1 Oct -Dec	<i>August</i>	August 20 th	October 1

If Lake Powell drops below “minimum power pool” and power cannot be generated, WAPA will provide 30 days’ notice to the Customers prior to reducing the DSA and will work with Customers to mitigate impacts and develop alternative solutions.

Western Replacement Firming

WRF is the difference between hydropower forecast (DSA) and each Customer’s existing monthly SHP energy and capacity allocation. WAPA will forecast WRF on a quarterly basis for each month. Each quarter, each Customer will choose to either receive its SHP capacity and energy allocation or the DSA amount each month. Estimated monthly projections of market energy costs will be provided prior to each quarter; each Customer determines if WRF makes sense financially. Selecting the SHP allocation will require the customer take WRF.

Each Customer’s cost for WRF is its proportional share of firming costs. The firming cost is the expense incurred by WAPA to deliver the Customer’s SHP capacity and energy above the generation of the SLCA/IP facilities. The WRF charge will be calculated each month and assessed to each Customer who requests it. No administrative fee will be added, nor will losses be assessed directly to Customers who receive WRF.

A Customer not electing WRF will receive its proportion of WAPA’s forecasted SLCA/IP hydropower on a quarterly basis. This is the DSA amount. Customers not electing WRF will be able to schedule up to the given DSA capacity amounts and be able to schedule the given DSA monthly allocation of energy. Customers only receiving hydropower (DSA) will be assessed only the Energy Rate.

Should there be more hydropower than forecasted, available hydropower (AHP) will be provided to Customers under current procedures. The decision tree flow chart WAPA uses for AHP is located on WAPA's website at:

<https://www.wapa.gov/regions/CRSP/OpsMaint/Pages/operations-maintenance.aspx>

Transmission

Based on the FY 2023 Transmission Contracts review, transmission costs decreased by \$2M, or 22 percent, as shown in [Table 3](#). The decrease is mostly due to expiration of the Intertie transmission purchase agreement at the end of FY 2025 and smaller wheeling expense contracts at the end of FY 2024, which reduced the average annual transmission costs for the WAPA-206 rate period. The list of WAPA's transmission expense contracts is included in the supporting documentation.

Integrated Projects' Requirements

The smaller SLCA/IP projects' (Dolores, Seedskaadee, Rio Grande, and Collbran) annual revenue requirements have increased \$0.5M, or 7 percent. The increased revenue requirements in these projects were driven by inflationary costs attributed to moving from Reclamation's FY 2023 work plans to the FY 2025 work plans. The individual revenue requirements of these projects are provided in the supporting documentation.

Interest

Average annual interest expense projections increased nearly \$5M, or nearly 80 percent. This increase is due to the necessity of applying forced payments to Aid to Irrigation in order to meet future mandatory payments, along with increased pricing associated with purchased power costs limiting the revenue after expenses used for prepayment of capital investments.

The PRS calculates projected interest. The interest rates WAPA uses are set and published annually by the Treasury, see [Table 9 – Power Marketing Administration](#), currently located at: treasurydirect.gov/government/interest-rates-and-prices/certified-interest-rates/annual/fiscal-year-2024/#table9.

WAPA's interest rate history is provided in the supporting documentation. CRSP, Dolores, and Seedskaadee use the "coupon rate" and Collbran and Rio Grande use the "yield rate."

Other Annual Expenses

This category decreased by \$39k per year due to the average-year range changing from 24 years (FY 2022 through FY 2045) to 22 years (FY 2024 through FY 2045). WAPA collects an annual average of \$14.4M per year, through FY 2037, under the Memorandum of Agreement Concerning the Upper Colorado River Basin Fund (MOA). With the pinch point being FY 2045, it was necessary to add seven null years (FY's 2038 - 2045) to the average calculation. Additionally, the State of Colorado Loan(s) repayment at \$866,000 per year through FY 2042

now includes three null years (FYs 2043-2045) in the average calculation as a result of using a FY 2045 pinch point year.

The components that make up the other annual expenses include:

Salinity – In June 1974, Congress enacted the Colorado River Basin Salinity Control Act, Public Law 93-320, which directed the Secretary of the Interior to proceed with a program to enhance and protect the quality of water available in the Colorado River.

Public Law 104-20 of July 28, 1995, authorizes the Secretary of the Interior, acting through the Bureau of Reclamation, to implement a basin wide salinity control program. The Secretary may carry out the purposes of this legislation directly, make grants, enter contracts, memoranda of agreement, commitments for grants, cooperative agreements, or advances of funds to non-Federal entities under such terms and conditions as the Secretary may require.

The Salinity table provided by Reclamation showing historic and projected costs is included in the supporting documentation.

MOA Revenue – This expense addresses the revenues to be collected at an annual average of \$14.4M per year through 2037 for implementation of the 2020 Memorandum of Agreement Concerning the Upper Colorado River Basin Fund (MOA).

Endangered Fish Recovery Implementation Program Loans – The repayment schedules for the two loans from the Colorado Water Conservation Board for \$15.5M are amortized at \$866,000 per year through FY 2042. The amortization schedules for these loans are included in the supporting documentation. Section 3(c)(3) of Public Law No. 106-392, 114 Stat.1604 (1999) authorized these loans and repayment.

Unfunded Benefits – WAPA uses a 5-year historical average to project expenses related to employee benefits for (1) the Civil Service Retirement System (CSRS), (2) the Federal Employees Retirement System (FERS), (3) the Federal Employees Health Benefits (FEHB) Program, and (4) the Federal Employees Group Life Insurance (FEGLI) Programs. The amounts remitted to the Office of Personnel Management (OPM) by and for covered employees do not generally cover the full cost of the benefits those employees will receive in retirement. Therefore, agencies must recognize an “unfunded” cost equal to the difference between the true cost of providing future benefits to their employees and the employee and employer contributions they remit to OPM.

Statement of Federal Finance Accounting Concepts 5 (SFFAC No. 5) requires employing agencies to recognize an expense for the Government’s cost of providing health benefits and life insurance to their employees after they retire, along with retirement benefits. These unfunded benefits have been determined to be a cost of producing and transmitting electricity. The unfunded costs are included in the power rates to offset the transfer of general funds from Treasury to the Retirement Fund administered by the OPM from which post-retirement costs are paid to retirees. Recovering these costs in power rates is consistent with Congressional objectives that the Power Marketing Administrations (PMAs) operate on a fiscally self-supporting basis. Guidance on recovering the full cost of operations includes The Economy Act

and Department of Energy (DOE) Order R.A. 6120.2, “Power Marketing Administration Financial Reporting.”

The 5-year average calculations used to project Unfunded Benefits are included in the supporting documentation.

Annual Principal Payments

Deficits

WAPA is not projecting any deficits based on projected expenses and revenues during the rate setting period. The PRS is designed to repay deficits within ten years. The average deficit payment on [Table 3](#) is \$0 to the pinch point year.

Replacements

Repayment for replacements decreased 54 percent or \$15.9M from the current rate primarily due to strategic prepayment of capitalized assets ahead of the pinch point year. As capitalized assets are added, the PRS will generate projected future replacements beyond the 5-year budget window.

Original Project and Additions

The revenue requirement for this category is based on unpaid additions. The average annual repayment decreased \$910k or 49 percent due to strategic prepayment of capitalized assets ahead of the pinch point year.

Irrigation

[Table 3](#) indicates payments to irrigation assistance increased by approximately \$4.5M per year, which resulted in an annual increase of 49 percent when compared to Aid to Irrigation payments included in the WAPA-199 ratesetting study. While a substantial increase for this line item, the overall revenue requirement did not increase due to how repayment was applied in the WAPA-206 ratesetting study. Repayment of investments are generally repaid based on the highest interest-bearing investment being paid first. However, if the repayment period of a lower interest-bearing investment is set to expire, the lower interest-bearing investment needs to take repayment precedence. This is the justification for the significant increase in Aid to Irrigation payments in the WAPA-206 ratesetting study. As a large mandatory payment for Aid to Irrigation falls within the pinch-point window, applying this repayment methodology allowed for greater rate stability. (See the Irrigation Blocks table in the supporting documents).

The Status of Repayment summarizing capital investment and the unpaid balance for each project is provided in the supporting documentation.

Offsetting Revenues

Offsetting revenues have increased 3 percent primarily due to increases to firm and non-firm transmission contracts (see Tab 12, in supporting documents). One other notable change, transaction fee revenues decreased due to internal customers are now settled through a direct charge method, rather than assessing transaction fees, and is reflected as a decrease to the O&M budget request. Other than firm transmission, WAPA uses a 5-year historical average when determining these offsetting revenues, which can account for the small changes in revenues. See Table 7 as shown below.

Table 7 - Offsetting Revenues

Unit: \$1,000

Note:	Revenue	WAPA-199*	WAPA-206**	Difference
	Firm Transmission	\$11,441	\$12,901	\$1,460
	Non-firm Transmission	\$4,698	\$6,264	\$1,566
/1	Resale Energy	\$6,634	\$6,549	(\$85)
/1	Transaction fees	\$2,560	\$248	(\$2,312)
/2	Other	\$4,463	\$5,043	\$580
/3	M&I Revenue	\$372	\$0	(\$372)
	Total	\$30,168	\$31,005	\$837
/1	Merchant function.			
/2	Includes revenues from ancillary services, auxiliary services, spinning reserves, admin charges for WRP and CDP transactions, facility use, energy imbalance, and other misc. revenues.			
/3	Per Reclamation, M&I Revenue will no longer be accounted separately, the M&I Revenues from sales of water will be applied to Reclamation's O&M budget.			
*	From WAPA-199 FRN Customer binder			
**	WAPA-206 August 2023 Update			

Firm Transmission

Firm transmission is based on the average of firm transmission contract revenues in the PRS from FY 2024 through the pinch point year. This is based on the FY 2024 Transmission Rate that was calculated in July 2023.

Non-Firm Transmission

Non-firm transmission revenues are taken from the PO&M 60s.

Merchant Function

Resale

Resale revenue is largely composed of the difference between hourly sales and purchases of energy.

Transaction Fees

Transaction fees reflect the cost of real-time merchant services, management and energy accounting support, and information technology costs.

Other Revenues

Includes revenues from ancillary services, auxiliary services, spinning/non-spinning reserves, administrative charges for Western Replacement Power (WRP) and Customer Displacement Power (CDP) transactions, facility use, energy imbalance, black start, and other miscellaneous revenues.

Energy (GWh) Delivered for Project Use

Table 8 provides the project-use energy sales (as well as long-term firm electric service for reference and comparison) used in the provisional ratesetting PRS. The year-to-year changes are due to the estimated energy use by project.

**Table 8 - 2023 SLIP PRS Sales Projections (MWh)
(Assuming Project Use Loads Variable through 2028, Constant Beyond 2038)**

Note:	YEAR	Project Use- Energy /1	LT Firm Com (DSA)	Total
/2	2024	264,760	3,953,554	4,218,314
/2	2025	265,130	4,595,609	4,860,739
/3	2026	267,350	4,534,978	4,802,328
/3	2027	267,350	4,569,149	4,836,499
/3	2028	297,950	4,493,276	4,791,226
/4	2029	312,950	4,388,871	4,701,821
/4	2030	312,950	4,485,573	4,798,523
/4	2031	314,150	4,471,929	4,786,079
/4	2032	315,450	4,467,380	4,782,830
/4	2033	339,920	4,432,176	4,772,096
	2034	343,620	4,428,476	4,772,096
	2035	343,820	4,428,276	4,772,096
	2036	344,720	4,427,376	4,772,096
	2037	344,720	4,427,376	4,772,096
	2038	344,720	4,427,376	4,772,096
	2039	344,720	4,427,376	4,772,096
	2040	344,720	4,427,376	4,772,096
	2041	344,720	4,427,376	4,772,096
	2042	344,720	4,427,376	4,772,096
	2043	344,720	4,427,376	4,772,096
	2044	344,720	4,427,376	4,772,096
	2045	344,720	4,427,376	4,772,096
	Average:	322,391	4,432,864	4,755,255
/1	Preliminary 2023 Total Used MWh on Project Use Summary Table			
/2	FY2024 - FY2025, from Reclamation's August 2023 24 Month Study			
/3	FY2026 - FY2028, from Reclamation's May 2023 CRMMS traces			
/4	FY2029 - FY2033, rolling average of preceding 5 years			

Cost Recovery Charge

WAPA is proposing to continue the CRC calculation in the provisional rate schedule.

CRC Discussion

Lower than expected hydropower production due to extended drought conditions, and higher market prices in the region have caused actual purchased power expenses to be significantly higher than previous forecasts and continues to create concerns about cash flow issues for the Basin Fund. In the event expenses exceed estimates, and to adequately recover and maintain a sufficient balance in the Basin Fund, WAPA proposes to maintain the CRC as a tool. However, based on actual experience in FY 2024, when actual purchases greatly exceeded forecasts, the tool may need fine-tuning. Therefore, WAPA proposes to reserve the right to consider a CRC throughout the year using guidance from the existing implementation tiers and the latest 24-month Study from Reclamation. An established CRC would be in effect for 12 months from the date implemented. For the purposes of the CRC, a calendar year will be defined as the 12-month period the CRC is in effect.

The CRC is a charge on **ALL** DSA energy delivered to the Customers. DSA is included because WAPA is purchasing power to firm to DSA levels. In calculating the CRC, WAPA forecasts the amount of revenue available to deliver the yearly DSA energy commitment. The Basin Fund beginning Balance (BFBB) determines the applicable CRC tier criteria. The minimum Basin Fund targeted carryover balance is \$40M. Once WAPA determines the amount of revenue available in the Basin Fund for anticipated expenses, it will determine the additional revenue needed and will include the CRC charge in the Customer's firm power bill, unless the Customer chooses to waive and lower their receipt of power as per the CRC waiver level (WL). The WL provides Customers the ability to help reduce WAPA's purchased power expenses by scheduling less energy than their contractual amounts. For those Customers who elect to schedule no more energy than their proportionate share of the WL, WAPA will waive the CRC for that year.

WAPA uses tiers, based on current and projected cash balances of the Basin Fund, to quantify the need for a CRC. The CRC will be implemented at the discretion of WAPA when the Basin Fund's balance meets the criteria in the tiers per [Table 11](#). The Basin Fund Beginning Balance (BFBB) determines the applicable tier criteria. The minimum Basin Fund target balance is \$40M. If a CRC is going to be implemented, WAPA will provide notice in accordance with the CRC Schedule on the CRC webpage at: <https://www.wapa.gov/regions/CRSP/rates/Pages/cost-recovery-charge.aspx> This rate adds a provision for WAPA to reassess an implemented CRC when a new rate is enacted. WAPA will determine if the CRC should be continued, superseded, or terminated. If the CRC is superseded, the newly implemented CRC will be in effect for 12 months. Table 10 below indicates the components of a firm power Customer's monthly bill

Table 10 - Firm Power Components

Capacity	Seasonal CROD x (\$/kWmonth charge)	= Total monthly capacity charge
Energy	Monthly kWh x (mills/kWh charge)	= Total monthly energy charge
CRC	Monthly kWh x (mills/kWh charge)	= Total monthly CRC charge (when applicable)
		= Total Monthly Charge

WAPA will revert to an annual July 1 notification at a minimum on the status of the CRC. WAPA will continue to provide information to its Customers about any anticipated CRC and allow each Customer either 45 days for tiers i - iv or 30 days for tier v to request a waiver or accept the CRC.

Since hydrologic forecasts often change throughout the year, if circumstances dictate the need to reassess an implemented CRC, the updated CRC will supersede the previous CRC and remain in effect for 12 months. The CRC is implemented at WAPA’s discretion based on the balance of the Basin Fund. WAPA will continue application of the changes to the CRC made under WAPA-199, including adding a calculation to recover the lost revenue tied to when a Customer accepts the WL and reducing DSA capacity for those Customers opting for the WL to maintain each Customer’s existing monthly load factor percentage at the same level provided by the full SHP capacity and energy allocation. For example, if energy allocation is reduced by 10 percent, then capacity is also reduced by 10 percent for customers opting for the WL. Minimums will not change.

Trigger for Water Release Criteria

In the event Reclamation’s 24-month Study projects Glen Canyon Dam water releases for generation will drop below 8.23 MAF in a water year (October through September), WAPA will recalculate the CRC to include those lower estimates of hydropower generation and the estimated costs for the additional purchased power necessary. WAPA, as in the yearly projection for the CRC, will give each Customer a 45-day notice to request a waiver of the CRC if it does not want to have the CRC charge added to its energy bill. This recalculation will remain in effect for the remainder of the current calendar year (CY).

If, in any month, the annual water release volumes from Glen Canyon Dam return to 8.23 MAF or higher while a CRC is in place, a new CRC will be calculated for the next month, and each Customer will be notified of the recalculated CRC results.

Trigger for Enacting a New Rate

WAPA will reassess an implemented CRC when a new rate becomes effective. Under this provision, WAPA will determine if the CRC should be superseded or terminated. WAPA will provide notification of their determination when Customers are provided 30-day notification of a new rate's effective date.

Table 11 - CRC Tiers

**WAPA HAS THE DISCRETION THROUGHOUT THE YEAR TO IMPLEMENT A CRC
BASED ON THE TIERS BELOW.**

Tier	Criteria, If the BFBB is:	Customer Notification
i	Greater than \$150M, with an expected decrease to below \$75M	Annually (July)
ii	Less than \$150M but greater than \$120M, with an expected 50-percent decrease in the next CY	
ii	Less than \$120M but greater than \$90M, with an expected 40-percent decrease in the next CY	
iv	Less than \$90M but greater than \$60M, with an expected 25-percent decrease in the next CY	Semi-Annual (July / January)
v	Less than \$60M but greater than \$40M with an expected decrease to below \$40M in the next CY	Monthly

Calculation of the CRC

WAPA will forecast the amount of purchased energy and the corresponding expense to deliver SHP energy and forecast the funds available from the Basin Fund for firming purchases.

In determining the forecasted funds available, the impact on net revenue (projected annual revenue less projected annual expenses) and the Basin Fund net balance (CY BFBB plus net revenue) will be analyzed. For the CRC, all cash outflows from the Basin Fund including capital expenses, O&M, revenue transfers to Reclamation, and required returns to Treasury will be included as annual expenses. In the event the impact on either of these is at acceptable levels, the CRC will not apply during that CY. If the impact on net revenue and/or the Basin Fund constrains the funds available to deliver SHP energy, the most constraining factor will be used to determine the additional revenue requirements. An example of the CRC calculations is available

on the CRC webpage at: <https://www.wapa.gov/regions/CRSP/rates/Pages/cost-recovery-charge.aspx>.

Sample narratives of the CRC and PYA are in the draft [SLIP-F13 Rate Schedule](#).

Table 12 - Sample CRC Calculation

		Description	Example	Formula
STEP ONE	Determine the Net Balance available in the Basin Fund.			
	BFBB	Basin Fund Beginning Balance (\$)	\$ 117,508,000	Financial forecast
	BFTB	Basin Fund Target Balance (\$)	\$ 70,504,800	BFBB – (Tier % *BFBB), or BFTB for Tier i and Tier v ¹
	PAR	Projected Annual Revenue (\$) w/o CRC	\$ 190,628,000	Financial forecast
	PAE	Projected Annual Expenses (\$)	\$ 249,187,000	Financial forecast
	NR	Net Revenue (\$)	\$ -58,559,000	PAR - PAE
	NB	Net Balance (\$)	\$ 58,949,000	BFBB + NR
STEP TWO	Determine the Forecasted Energy Purchase Expenses.			
	EA	SHP Energy Allocation (GWh)	5,135	Customer contracts
	HE	Forecasted Hydro Energy (GWh)	4,459	Hydrologic & generation forecast
	FE	Forecasted Energy Purchase (GWh)	676	EA – HE or anticipated
	FFC	Forecasted Average Energy Price per MWh (\$)	\$ 30.57	From commercially available price indices
	FX	Forecasted Energy Purchase Expense (\$)	\$ 20,665,320	FE * FFC *1000
STEP THREE	Determine the amount of Funds Available for firming energy purchases, and then determine additional revenue to be recovered. The following two formulas will be used to determine FA; the lesser of the two will be used.			
	FA1	Basin Fund Balance Factor (\$)	\$ 9,109,520	If (NB>BFBB,FX,FX -(BFTB - NB))
	FA2	Revenue Factor (\$)	\$ 9,109,520	If (NR>-(BFBB-BFTB), FX, FX+NR +(BFBB-BFTB))
	FA	Funds Available (\$)	\$ 9,109,520	Lesser of FA1 or FA2 (not less than \$0)
	FARR	Additional Revenue to be Recovered (\$)	\$ 11,555,800	FX - FA
STEP FOUR	Determine the difference between the market price and the SLCA/IP Energy Rate.			
	SLIP	SLCA/IP Energy Rate	\$ 11.43	Current Rate
	NRATE	Net Rate: Difference between Market Price and SLCA/IP Energy Rate	\$ 19.14	FFC - SLIP
STEP FIVE	Once the FA for purchases and the NRATE for cost have been determined, the CRC can be calculated, and the WL can be determined.			
	CRC	Cost Recovery Charge (mills/kWh)	2.25	FARR/(EA*1,000)
	WL	Waiver Level (GWh)	4,531	EA – ((FARR/NRATE)/1000)
	WLP	Waiver Level Percentage of Full SHP	88.24%	WL/EA*100
	CRCE	CRC Energy (GWh)	604	EA - WL
	CRCEP	CRC Energy Percentage of Full SHP	11.76%	CRCE/EA*100
	RISC	Reduction in SHP Capacity	11.76%	Same as CRCEP percentage

Notes:

1. Use Table 10 to calculate applicable value.

PYA Discussion

Since the annual determination of the CRC is based upon estimates, an annual prior year adjustment (PYA) will be calculated. The CRC PYA for the next subsequent year will be determined by comparing the prior year’s estimated firming energy cost to the prior year’s actual firming energy cost for the energy provided above the WL. The PYA will result in an increase or decrease to a Customer’s firm energy costs over the course of the following year. An example of the PYA is available at the CRC webpage at <https://www.wapa.gov/regions/CRSP/rates/Pages/cost-recovery-charge.aspx>

Table 13 - PYA Calculation

PYA CALCULATION				
		Description	Example	Formula
STEP ONE	Determine actual expenses and purchases for previous year’s firming. This data will be obtained from WAPA’s financial statements at the end of the CY.			
	PFX	Prior Year Actual Firming Expenses (\$)	\$11,020,808	Monthly Income Statements
	PFE	Prior Year Actual Firming Energy (GWh)	490	Settlements Worksheet
STEP TWO	Determine the actual firming cost for the CRC portion.			
	EAC	Sum of the energy allocations of Customers subject to the PYA (GWh)	3,266	Prior Year Customers Subject to CRC
	FFC	Forecasted Firming Energy Cost – (\$/MWh)	\$30.57	From CRC Calculation
	AFC	Actual Firming Energy Cost – (\$/MWh)	\$22.49	PFX/PFE
	CRCEP	CRC Energy Percentage	11.76%	From CRC Calculation
	CRCE	Purchased Energy for the CRC (GWh)	384	EAC*CRCEP
STEP THREE	Determine Revenue Adjustment (RA) and PYA.			
	RA	Revenue Adjustment (\$)	(\$3,100,558)	(AFC-FFC) *CRCE*1,000
	PYA	Prior Year Adjustment (mills/kWh)	(.95) mills/kWh	(RA/EAC)/1,000

The Customers' PYA will be based on their prior calendar year's energy multiplied by the PYA mills/kWh to determine the dollar value that will be assessed. The Customer will be charged or credited for this dollar amount equally in the remaining months of the next CY's billing cycle. WAPA will complete this calculation within two months of the end of the CRC. Therefore, if the CRC ends May 31, the PYA needs to be calculated and Customers provided 30-days' notice of the results by July 31. Then the PYA a charge/credit will be spread over the remaining 9 months of the CY (September through May). for a table with the detailed time frames is available on the CRC webpage at <https://www.wapa.gov/regions/CRSP/rates/Pages/cost-recovery-charge.aspx>.

CRC Schedule for Customers

Consistent with the procedures at 10 CFR 903, WAPA will provide its Customers with information concerning the anticipated CRC for the upcoming CY. A table showing the time frame for determining the amount of purchases needed, notifying the Customers, developing Customers' load schedules, and making purchases s available at the CRC webpage at <https://www.wapa.gov/regions/CRSP/rates/Pages/cost-recovery-charge.aspx>. The established CRC will be in effect for the entire CY unless superseded.

III. CRSP Transmission and Ancillary

Services Rates

Summary

WAPA is proposing to renew existing transmission and ancillary service rates so that their effective termination dates align with the other rates under this rate action. The present CRSP Firm Point-to-Point, Network, and Non-firm Point-to-Point transmission rates, Rate SP PTP9, SP NW5, and SP NFT8, respectively, became effective October 1, 2020. WAPA proposes to renew these rate schedules, respectively, under rate schedules SP PTP10, SP NW6 and SP NFT9. The transmission rates include the cost for scheduling, system control, and dispatch service. The cost of transmission service for WAPA's SLCA/IP firm electric service will continue to be included in the SLCA/IP firm power rate. Transmission services are outlined in WAPA's Tariff.

WAPA calculates the annual transmission revenue requirement (ATRR) to recover transmission expenses on a forward looking rather than a historical basis. The current annual-fixed-charge formula will continue to be used to determine the revenue requirement to be recovered from firm and non-firm transmission service. The ATRR requirement includes net capital transmission investment, O&M expenses, administrative and general expenses, interest expense, and depreciation expense. This revenue requirement is offset by CRSP transmission system revenue, such as non-firm transmission and phase shifter revenues.

WAPA's current process allows it to match cost recovery more accurately with cost incurrence. WAPA will estimate transmission costs for the upcoming year in the annual rate calculation. When actual cost information for a year becomes available, WAPA will calculate the actual revenue requirement – any over-collection or under-collection in the ATRR will be captured in an adjustment in the next subsequent year. This true-up procedure will ensure WAPA recovers no more and no less than the actual transmission costs for the year. For example, as FY 2022 actual financial data becomes available during FY 2023, the under- or over-collection of revenue during FY 2022 can be determined. When the rates are calculated for FY 2024, the implemented rates will include an adjustment for revenue under- or over-collected in FY 2022.

The rate for non-firm CRSP transmission service is based upon the current CRSP firm Point-to-Point transmission rate and may be discounted. The FY 2024 rate is a maximum of \$1.75 per kW-month.

There are no changes to the existing network integration transmission service formula under Rate Schedule SP-NW5.

Transmission Rates

Firm Point-to-Point

The CRSP MC uses the rate formula (as shown below) for calculation of the firm Point-to-Point transmission rate to be applied annually.

The firm Point-to-Point transmission rate is based on projections on investment, using an annual fixed charge formula methodology. The ATRR will continue to be reduced by revenue credits such as non-firm transmission and phase shifter revenues. The resultant net ATRR will continue to be divided by the capacity reservation needed to meet firm power and transmission-only commitments in kW, including the total network integration loads at system peak. The formula will be updated each year by applying projections on investment and a true-up for any over collection or under collection from the previous FY rate. If needed, a revised rate will become effective October 1 of the new FY. The current rate formula is effective through September 30, 2025. This rate action will renew the transmission rate formula through CY 2028.

The cost/kWyear is calculated using the following rate formula:

(1) $ATRR - TRC = NATRR$
(2) $\frac{NATRR}{TSTL}$

Where:

ATRR = Annual Transmission Revenue Requirement. The costs associated with facilities that support the transfer capability of the CRSP transmission system, excluding generation facilities. These costs include investment costs, interest expenses, depreciation expense, administrative and general expenses, and O&M expense, including transmission purchases. Transmission purchases reflect those costs associated with CRSP contractual obligations.

TRC = Transmission Revenue Credits. The revenues generated by the CRSP transmission system not related to the revenues from the sale of long-term firm transmission.

NATRR = Net Annual Transmission Revenue Requirement. The Annual Revenue Requirement minus Transmission Revenue Credits.

TSTL = CRSP Transmission System Total Load. The sum of the total CRSP transmission capacity under long-term reservation including the total network integration loads at system peak.

Non-Firm Point-to-Point Transmission

WAPA renewed the present non-firm Point-to-Point transmission rate, SP NFT8, under rate schedule SP NFT9. The rate for non-firm Point-to-Point CRSP transmission service is a mills/kWh rate which is based upon the current firm Point-to-Point rate and may be discounted. This rate will remain in effect concurrently with the firm Point-to-Point rate and will also be reviewed annually. Transmission availability will be posted on WAPA's Open Access Same-Time Information System (OASIS).

Network Transmission

WAPA renewed the present Network Transmission rate schedule, SP NW5, under rate schedule SP NW6. The rate for network transmission is a formula calculation based upon the annual revenue requirement determined by the annual fixed charge methodology.

Unreserved Use Penalty

Schedule 10 to Tariff SP-UU2, renewed under rate schedule SP-UU3.

The rate for Unreserved Use penalty is 200 percent of the approved CRSP rate for Point-to-Point Transmission service as follows:

- (i) The Unreserved Use penalty for a single hour of unreserved use will be based upon the rate for daily firm Point-to-Point service.
- (ii) The Unreserved Use penalty for more than one assessment for a given duration (e.g., daily) will increase to the next longest duration (e.g., weekly).
- (iii) The Unreserved Use penalty charge for multiple instances of unreserved use (e.g., more than 1 hour) within a day will be based on the rate for daily firm Point-to-Point service. Multiple instances of unreserved use isolated to 1 calendar week will result in a penalty based on the charge for weekly firm Point-to-Point service. The penalty charge for multiple instances of unreserved use during more than 1 week during a calendar month will be based on the rate for monthly firm Point-to-Point service.

A transmission Customer that exceeds its firm reserved capacity at any point of receipt or point of delivery, or an eligible Customer that uses transmission service at a point of receipt or point of delivery that it has not reserved will be required to pay, in addition to the Unreserved Use penalties, for all ancillary services identified in WAPA's Open Access Transmission Tariff (OATT) based on the amount of transmission service it used and did not reserve.

Ancillary Services

In accordance with WAPA's Open Access Transmission Tariff (OATT), ancillary services are needed with transmission service to maintain reliability. The CRSP transmission system lies in the Western Area Colorado Missouri (WACM) balancing authority operated by WAPA's Rocky Mountain Region (RMR). The rates for ancillary services are designed to recover only the costs associated with providing the service(s). CRSP, as a WAPA Transmission Service Provider in WACM, currently provides seven ancillary services under the OATT. Seven ancillary services will continue to be offered by CRSP MC, two of which are required to be purchased by CRSP transmission customers. Those required are (1) scheduling, system control, and dispatch service, and (2) reactive supply, and voltage control service. The remaining five ancillary services, (3) regulation and frequency response service, (4) energy imbalance service, (5) spinning reserve service, (6) supplemental reserve service, and (7) generator imbalance will also be offered either from WACM or from the CRSP Merchant Function. Sales of regulation and frequency response, energy imbalance, spinning reserve, and supplement reserve services from SLCA/IP power resources are limited since WAPA has allocated the SLCA/IP power resources to preference entities under long-term commitments. The availability and type of ancillary service will be determined based on excess resources available at the time the services are requested, except for the two ancillary services required to be provided in conjunction with the sale of CRSP transmission services.

Scheduling, System Control, and Dispatch Service (SSCD)

WAPA renewed CRSP's rate schedule SP-SD4 under rate schedule SP-SD5. SSCD is provided through the WACM Balancing Authority under Rate Schedule L-AS1.

Per Schedule 1 of WAPA's OATT, this service is required to schedule the movement of power through, out of, within, or into a Control Area and can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. This service must be provided for each transaction on the transmission facilities within the Control Area (WACM) either directly by the Transmission Service Provider if the Transmission Service Provider is the Control Area operator or indirectly by the Transmission Service Provider making arrangements with the Control Area.

Reactive Supply and Voltage Control Service from Generation or Other Sources Service (VAR Support Service)

WAPA renewed CRSP's rate schedule SP-RS4 under rate schedule SP-RS5. VAR Support Service is provided through the WACM Balancing Authority under Rate Schedule L-AS2.

Per Schedule 2 of WAPA's OATT, Volts-Ampere Reactive (VAR) Support Service is required to maintain transmission voltages on the Transmission Service Provider's transmission facilities within acceptable limits, using available generation facilities and non-generation resources. This service must be provided for each transaction on the transmission facilities within the Control Area either directly by the Transmission Service Provider if the Transmission Service Provider is the Control Area operator or indirectly by the Transmission Service Provider making

arrangements with the Control Area operator. Transmission Customers are required to purchase this service from the Transmission Service Provider. If the Transmission Service Provider acquires the service from the Control Area, the charges are to reflect only a pass-through of the costs charged to the Transmission Service Provider by the Control Area operator.

Regulation and Frequency Response Service (Regulation Service)

Rate Schedule SP-FR4 was superseded by L-AS.3, Regulation and Frequency Response service is provided through the WACM Balancing Authority.

Per Schedule 3 of WAPA's OATT, Regulation Service is necessary to provide for the continuous balancing of resources, generation and interchange, with load, as well as, for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation Service is accomplished by committing on-line generation whose output is raised or lowered as necessary, predominantly using Automatic Generating Control (AGC) equipment as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Service Provider (or the Control Area operator who performs this function for the Transmission Service Provider). All loads inside the Control Area consume regulation; therefore, WACM, by default, provides Regulation Service to all loads inside the Control Area. The Transmission Service Provider must offer this service when transmission service is used to serve load within its Control Area.

Regulation Service corrects for instantaneous variations between the Customers' resources and load, even if the variations net to zero over the course of an hour. Imbalance Service, outlined below, captures hourly and sub-hourly energy provided in correcting for these variations.

Imbalance Services

Energy Imbalance

Rate Schedule SP-E15 was superseded by L-AS4, Energy Imbalance is provided through the WACM Balancing Authority.

Per Attachment R Schedule 4R of WAPA's OATT, Energy Imbalance Service is provided when a difference occurs between the expected and the actual delivery of energy within such Balancing Authority Area(s) over a Dispatch Interval. All loads in the WEIS Market will be subject to settlement related to Energy Imbalance Service in the WEIS Market. SPP, as the WEIS Market administrator, will obtain and provide this service under the WEIS Market and will calculate and bill applicable charges and credits. The Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area.

Generator Imbalance

WAPA renewed CRSP's rate schedule SP-EI5 under rate schedule SP-EI6. Rate Schedule SP-EI5 reflects that generator imbalance is provided through the WACM Balancing Authority under Rate Schedule L-AS9, or as superseded.

Per Attachment R, Schedule 9 of WAPA's OATT, Generator Imbalance Service is provided when a difference occurs between the expected and the actual delivery of energy within such Balancing Authority Area(s) over a Dispatch Interval. All resources in the WEIS Market will be subject to settlement related to Generator Imbalance Service in the WEIS Market. SPP, as the WEIS Market administrator, will obtain and provide this service under the WEIS Market and will calculate and bill applicable charges and credits. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area.

Operating Reserves – Spinning and Supplemental Reserve Services

WAPA renewed CRSP's rate schedule SP-SSR5 under rate schedule SP-SSR6.

Per Schedules 5 and 6 of WAPA's OATT, Reserve Services are needed to serve load in the event of a system contingency. Spinning Reserves are used to serve load immediately in the event of a system contingency by units on-line and loaded at less than maximum output; whereas Supplemental Reserves are not immediately available but are available in a short period of time from units that are on-line but unloaded. The Transmission Service Provider must offer this service when the transmission service is used to serve load in the Control Area. The Transmission Customer must either purchase this service from the Transmission Service Provider or make alternative comparable arrangements with WACM to satisfy its Reserve obligations. To the extent WACM performs this service for the Transmission Service Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Service Provider by WACM.

IV. Rate Adjustment Procedure

Background

A Public Information Forum and a Public Comment Forum was held during the consultation and comment period. At these forums, WAPA discussed information contained in these documents and is prepared to receive comments from interested parties. WAPA also provided a public information forum specifically for purchased power/sales. After the consultation and comment periods closed and review of oral and written comments, WAPA's Administrator confirmed, approved, and placed the provisional rates into effect on an interim basis. The provisional rates were announced to the public along with an explanation of the principal factors leading to the decision. The provisional rates were submitted to FERC and are pending final approval.

Public Process

Procedures adopted by DOE give interested parties an opportunity to participate in the development of power and transmission rates. The published procedures for rate adjustments, as amended, are available upon request from the CRSP MC.

A Federal Register notice (FRN) announcing the proposed rate and the consultation and comment period was published on June 22, 2023. The published FRN is in the appendix of this brochure.

The formal public consultation and comment period began with the publication of the Proposal FRN and is extended to October 3, 2023. During this time, interested parties had the opportunity to consult with, and obtain information from WAPA representatives about the rate proposals. Customers were notified of the results of the *August 2023 24-month Study* which shall be posted to the WAPA-206 website at: <https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>. In addition to the supporting documents on this rate action web page, interested parties can also examine data in the rate proposal PRS and the smaller projects' PRSs. Requests for review material can be made by phone, mail, or email at:

CRSP Management Center
Western Area Power Administration
1800 South Rio Grande Avenue
Montrose, CO 81401
Telephone: (970) 240-6200
CRSPMC-RATE-ADJ@wapa.gov

Public Information & Comment Forums

The Public Information Forum was held in person and via Microsoft Teams meeting:

July 19, 2023, 12:00 p.m. to 2:00 p.m. MDT

During the Public Information Forum, WAPA representatives explained the need for the proposed rate adjustment and answered questions. Questions not answered at the Public Information Forum were answered in writing before the end of the consultation and comment period. The Public Information Forum was recorded and transcribed. A copy of the recorded meeting is posted to: <https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>. Also, a copy of the transcript will be posted to the same site.

A Public Comment Forum was held via Microsoft Teams meeting:

August 15, 2023, 12:00 p.m. to 2:00 p.m. MDT

Interested persons submitted written or oral comments at the Public Comment Forum. As with the Public Information Forum, the Public Comment Forum was transcribed. A copy of the transcript is posted to: <https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>.

The first comment forum was not adequately recorded/transcribed due to technical issues, so a second Public Comment Forum is scheduled to be held via Microsoft Teams meeting:

September 19, 2023, 12:00 p.m. to 2:00 p.m. MDT

Interested persons may submit written or oral comments at the Public Comment Forum. This second Public Comment Forum will be recorded and transcribed. A copy of the recording and transcript will be posted to: <https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>.

Written Comments

All interested parties had the opportunity to submit written comments to WAPA any time during the consultation and comment period. Comments had to be received by the end of the extended consultation and comment period (October 3, 2023) to ensure consideration. Comments were sent to Mr. Rodney Bailey, CRSP Manager, or by email to CRSPMC-RATE-ADJ@wapa.gov.

Decision on Proposed or Revised Proposed Rates

Following the end of the consultation and comment periods, WAPA's Administrator developed proposed rates, and confirmed, approved, and placed these rates in effect on provisional basis. The decision and an explanation of the principal factors leading to the determined rates was announced in the FRN. WAPA placed the rates in effect on January 1, 2024.

Final Decision on the Rate Adjustment

WAPA's Administrator submitted all information concerning the provisional rate to FERC and requested approval of the Firm Power rate, for the period January 1, 2024, through December 31, 2028. FERC may then confirm and approve the rates permanently, remand them to WAPA, or disapprove them.

V. Legal and Environmental Requirements

Environmental Compliance

Historically WAPA rate actions are concluded as categorically excluded from the preparation of an environmental assessment or an environmental impact statement. A copy of the Categorical Exclusion is posted to the rate action web site.

<https://www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx>.

VI. Appendices

Glossary of Terms

<u>AFC:</u>	Actual Firming energy Cost.
<u>ATRR:</u>	Annual Transmission Revenue Requirement.
<u>Basin Fund:</u>	Upper Colorado River Basin Fund.
<u>BFBB:</u>	Basin Fund Beginning Balance.
<u>BFTB:</u>	Basin Fund Target Balance.
<u>Capacity:</u>	The electric capability of a generator, transformer, transmission circuit, or other equipment. It is expressed in kW.
<u>Capacity Rate:</u>	The rate which sets forth the charges for capacity. It is expressed in \$/kWmonth and applied to each kW delivered to each Customer.
<u>CDP:</u>	Customer Displacement Power.
<u>CME:</u>	Capitalized Movable Equipment.
<u>CRC:</u>	Cost Recovery Charge.
<u>CROD:</u>	Contract Rate of Delivery. The maximum amount of capacity made available to a preference Customer for a period specified under a contract.
<u>CRCE:</u>	CRC Energy (GWh).
<u>CRCEP:</u>	CRC energy percentage of full SHP.
<u>CRSP:</u>	Colorado River Storage Project.
<u>CRSP MC:</u>	Colorado River Storage Project Management Center.
<u>CRSS:</u>	Colorado River Simulation System.
<u>Customer:</u>	Firm electric service customer(s) contractually receiving SLCA/IP power and energy.

<u>CY:</u>	Calendar Year. When used in the CRC it is the 12-month period the CRC is in effect for.
<u>DOE:</u>	Department of Energy.
<u>DSA:</u>	Deliverable Sales Amount – marketable generation level, above which WAPA will forgo Purchased Power.
<u>EA:</u>	SHP Energy Allocation + Project Use (GWh).
<u>Energy Rate:</u>	The rate which sets forth the charges for energy. It is expressed in mills/kWh and applied to each kWh delivered to each Customer.
<u>FA:</u>	Funds Available.
<u>FA1:</u>	Basin Fund Balance Factor.
<u>FA2:</u>	Revenue Factor.
<u>FARR:</u>	Additional Revenue to be recovered.
<u>FE:</u>	Forecasted Purchase Energy.
<u>FERC:</u>	Federal Energy Regulatory Commission.
<u>FFC:</u>	Forecasted Firming Energy Cost.
<u>Firm:</u>	A type of product or service available at the time requested by the Customer.
<u>FRN:</u>	Federal Register Notice.
<u>FX:</u>	Forecasted Energy Purchase Expense.
<u>FY:</u>	Fiscal Year, October 1 to September 30.
<u>GWh:</u>	Gigawatthour – the electrical unit of energy that equals 1 billion watthours or 1 million kWh.
<u>HE:</u>	Forecasted Hydro Energy.
<u>Integrated Projects:</u>	The resources and revenue requirements of the Collbran, Dolores, Rio Grande, and Seedskadee

projects blended together with the CRSP to create the SLCA/IP resources and rate.

<u>kW:</u>	Kilowatt – the electrical unit of capacity that equals 1,000 watts.
<u>kWh:</u>	Kilowatthour – the electrical unit of energy that equals 1,000 watts in 1 hour.
<u>kWmonth:</u>	Kilowattmonth – the electrical unit of the monthly amount of capacity.
<u>Load:</u>	The amount of electric power or energy delivered or required at any specified point(s) on a system.
<u>Load Factor:</u>	The actual amount of kWh delivered on a system in a designated period of time, as opposed to the total possible kWh that could be delivered on a system in a designated period time.
<u>Mill:</u>	A monetary denomination of the United States that equals one tenth of a cent or one thousandth of a dollar.
<u>MAF:</u>	Million Acre-Feet. The number of gallons of water required to cover 1 million acres, 1 foot in depth.
<u>Mills/kWh:</u>	Mills per kilowatthour – the unit of charge for energy.
<u>MOA:</u>	Memorandum of Agreement concerning the Upper Colorado River Basin Fund for Upper Division States to share their apportionment with each other through FY 2037. This agreement reduces the impact on the CRSP Firm Power rate by eliminating the collection of power revenue beyond that amount needed to repay the costs for participating irrigation projects.
<u>MW:</u>	Megawatt – the electrical unit of capacity that equals 1 million watts or 1,000 kilowatts.
<u>MWh:</u>	One million watt-hours of electric energy. A unit of electrical energy which equals 1 megawatt of power used for 1 hour.
<u>NATRR:</u>	Net Annual Transmission Revenue Requirement.
<u>NB:</u>	Net Balance.

<u>NEPA:</u>	National Environmental Policy Act of 1969, as amended (42 U.S.C 4321, <u>et seq.</u>).
<u>New Rate Trigger:</u>	Under a New Rate Trigger, WAPA would reassess an implemented CRC when the new rate goes into effect to determine if the implemented CRC should be superseded or terminated.
<u>NR:</u>	Net Revenue. Revenue remaining after paying all annual expenses.
<u>NRate:</u>	Net Rate. The difference between the Market rate WAPA purchases power at and the Firm Energy rate that WAPA sells power at.
<u>OASIS:</u>	Open Access Same-Time Information System.
<u>OATT:</u>	Open Access Transmission Tariff
<u>O&M:</u>	Operation & Maintenance.
<u>PAR:</u>	Projected Annual Revenue (\$) w/o CRC.
<u>Participating Projects:</u>	The Dolores and Seedskadee projects participating with CRSP according to the CRSP Act 1956.
<u>PFE:</u>	Prior year actual Firming Energy.
<u>PFX:</u>	Prior year actual Firming expenses.
<u>Pinch Point:</u>	The year in the PRS that requires the greatest amount of revenue.
<u>Power:</u>	Capacity and energy.
<u>Price:</u>	Average price per GWh for purchased power.
<u>Project Use:</u>	Power used to operate SLCA/IP and CRSP facilities under Reclamation Law.
<u>Proposed Rate:</u>	A rate that has been recommended by WAPA to the Assistant Secretary, Office of Electricity for approval.
<u>Proposed Ratesetting PRS:</u>	PRS used for the rate adjustment proposal.

<u>Provisional Rate:</u>	A rate which has been confirmed, approved, and placed into effect on an interim basis by the Assistant Secretary, Office of Electricity.
<u>PRS:</u>	Power Repayment Study.
<u>PYA:</u>	Prior Year Adjustment.
<u>RA:</u>	Revenue Adjustment.
<u>Reclamation:</u>	Bureau of Reclamation.
<u>Reclamation Law:</u>	A series of Federal laws. Viewed as a whole, these laws create the originating framework under which WAPA markets power.
<u>RISC:</u>	Reduction in SHP Capacity, for those Customers taking the CRC waiver, to maintain each Customer's existing monthly load factor percentage at the same level provided by the full SHP capacity and energy allocation.
<u>RMR:</u>	Rocky Mountain Region.
<u>Revenue Requirement:</u>	The revenue required to recover O&M expenses, purchased power and transmission service expenses, interest, deferred expenses, and repayment of Federal investments, or other assigned costs.
<u>SHP:</u>	Sustainable Hydro Power (long-term SLCA/IP hydro capacity with energy).
<u>SLCA/IP:</u>	Salt Lake City Area Integrated Projects.
<u>SLIP PRS:</u>	CRSP PRS that includes the Collbran, Dolores, Rio Grande, and Seedskadee revenue requirements.
<u>Supporting Documentation:</u>	A book of data that supports this brochure.
<u>TRC:</u>	Transmission Revenue Credits.
<u>TSTL:</u>	Transmission System Total Load.
<u>WACM:</u>	Western Area Colorado Missouri.
<u>WAPA:</u>	Western Area Power Administration.

<u>WL:</u>	Waiver Level.
<u>WLP:</u>	Waiver Level Percentage of full SHP.
<u>Work Plan:</u>	An estimate of costs that are expected to become the Congressional Budget for WAPA and Reclamation. Also known as a Work Program.
<u>WRF:</u>	Western Replacement Firming.
<u>WRP:</u>	Western Replacement Power.

Published FRNs

Please use the links below to view the WAPA-206 FRNs:

- [WAPA-206 Proposal FRN, published June 22, 2023](#)
- [WAPA-206 Final FRN, published November 27, 2023](#)

Rate Schedules

The following pages contain the WAPA-206 rate schedules.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
SALT LAKE CITY AREA INTEGRATED PROJECTS**

SCHEDULE OF RATES FOR FIRM POWER SERVICE
(Approved Under Rate Order No. WAPA-206)

Effective:

The first day of the first full billing period beginning on or after January 1, 2024, and extending through December 31, 2028, or until superseded by another rate schedule, whichever occurs earlier.

Available:

In the area served by the Salt Lake City Area Integrated Projects.

Applicable:

To the wholesale power Customer for firm power service supplied through one meter at one point of delivery or as otherwise established by contract.

Character:

Alternating current, 60 hertz, three-phase, delivered and metered at the voltages and points established by contract.

Monthly Rate:

DEMAND CHARGE: \$5.25 per kilowatt of billing demand.

ENERGY CHARGE: \$12.36 mills per kilowatthour of use of Deliverable Sales Amount (DSA) energy.

Modification of Purchase Power:

WAPA has included a small amount of expense to represent the inefficiencies of market transactions and incidental firming costs associated with DSA energy scheduling. For more significant firming expenses, WAPA will provide a pass-through cost option to purchase firming power from the DSA level up to SHP levels for requesting Customers.

Western Replacement Firming (WRF):

WRF applies to pass-through purchased power costs for energy provided between the DSA level and SHP energy allocation. WRF is an optional product. Customers must elect quarterly, and may elect specific months within the quarter, to receive WRF. The charge for this purchased power will be determined at the time of the purchase based on market rates. There are no losses or an administrative fee charged to WRF. A schedule for the quarterly updates is in the rate brochure on the rate action web site: www.wapa.gov/regions/CRSP/rates/Pages/rates.aspx.

Billing Demand:

The billing demand will be the greater of:

1. The highest 30-minute integrated demand measured during the month up to, but not more than, the delivery obligation under the power sales contract, or,
2. The Contract Rate of Delivery.

Billing Energy:

The billing energy will be the energy measured during the month up to, but not more than, the delivery obligation under the power sales contract.

Adjustment for Transformer Losses:

If delivery is made at transmission voltage but metered on the low-voltage side of the substation, the meter readings will be increased to compensate for transformer losses as provided in the contract.

Adjustment for Power Factor:

The Customer will be required to maintain a power factor at all points of measurement between 95 percent lagging and 95 percent leading.

Adjustment for Western Replacement Power (WRP):

Pursuant to the Customer's Firm Electric Service Contract, as amended, WAPA will bill the Customer for its proportionate share of the costs of WRP within a given time. WAPA will include in the monthly power bill the cost of the WRP, and the incremental administrative costs associated with WRP.

Adjustment for Customer Displacement Power (CDP) Administrative Charges:

WAPA will include in the Customer's regular monthly power bill the incremental administrative costs associated with CDP.

Adjustment for Minimum Power Pool:

If Lake Powell drops below "minimum power pool" and power cannot be generated, WAPA will provide 30 days' notice to the Customers prior to reducing the DSA and will work with Customers to mitigate impacts and develop alternative solutions.

Cost Recovery Charge (CRC):

To adequately recover and maintain a sufficient balance in the Basin Fund, WAPA uses a cost recovery mechanism, called a CRC. The CRC is a charge on all long-term energy sales provided under WAPA's SLCA/IP firm electric service contracts.

This charge will be, at a minimum, recalculated before July 1 of each year, and WAPA will provide notification to the Customers consistent with the procedures in 10 CFR 903. WAPA has the discretion to implement the CRC at any point throughout the year using the criteria in Table 1. The charge, if needed, will be placed into effect on the first day of the first full-billing period beginning on or after the first day of the month the CRC is implemented. For the purposes of the

CRC, the 12-month period of a CRC will be described as a calendar year (CY). The CRC will be calculated as follows:

Table 1 – CRC Tiers

Tier	Criteria, if the Basin Fund Beginning Balance (BFBB) is:	Notification
i	Greater than \$150 million, with an expected decrease to below \$75 million	Annually (July)
ii	Less than \$150 million but greater than \$120 million, with an expected 50 percent decrease in the next CY	
iii	Less than \$120 million but greater than \$90 million, with an expected 40 percent decrease in the next CY	
iv	Less than \$90 million but greater than \$60 million, with an expected 25 percent decrease in the next CY	Semi-Annual (July / January)
v	Less than \$60 million but greater than \$40 million with an expected decrease to below \$40 million in the next CY	Monthly

CRC sample calculations, narratives, and schedules showing the dates for implementing a CRC throughout the year are located at the CRC webpage:

www.wapa.gov/regions/CRSP/rates/Pages/cost-recovery-charge.aspx.

Waiver Level (WL)

WAPA will establish a WL that provides WAPA the ability to reduce purchased power expenses by scheduling less energy than what is contractually required. Therefore, for those Customers who voluntarily schedule no more energy than their proportionate share of the WL, WAPA will waive the CRC for that year. After the Funds Available have been determined, the WL will be set at the sum of the energy that can be provided through hydro generation and purchased with Funds Available. The WL will not be less than the forecasted Hydro Energy.

Trigger for Water Release Criteria:

In the event that Reclamation's 24-month study projects Glen Canyon Dam water releases will drop below 8.23 million acre feet (MAF) in a water year (October through September), WAPA will recalculate the CRC to include those lower estimates of hydropower generation. WAPA, as in the yearly projection for the CRC, will give the Customers a 45-day notice to request a waiver of the CRC if they do not want to have the CRC charge added to their energy bills. This recalculation will remain in effect for the remainder of the CY.

If the annual water release volumes from Glen Canyon Dam return to 8.23 MAF or higher during the trigger implementation, a new CRC will be calculated for the next month, and the Customer will be notified.

Trigger for New Rate Criteria

WAPA would reassess an implemented CRC when a new rate goes into effect to determine if the implemented CRC should be continued, superseded, or terminated.

Prior Year Adjustment for CRC:

Since the annual determination of the CRC is based upon estimates, an annual, prior-year adjustment (PYA) will be calculated for those who did not elect the waiver level. The PYA will be based on the 12-month period the CRC was in effect.

The Customers' PYA will be based on their prior 12-months' energy multiplied by the PYA mills/kWh to determine the dollar value that will be assessed. The Customer will be charged or credited for this dollar amount equally in the remaining months of the next 12-month billing cycle. WAPA will complete this calculation within 2 months of the end of the CRC. Therefore, if the PYA is calculated in June, the charge/credit will be spread over the remaining 9 months of the CY (July through March).

Adjustment for CRC Waiver:

Customers can choose not to take the full DSA energy supplied as determined in the attached formulas for CRC and will be billed the Energy and Capacity rates listed above, but not the CRC.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
COLORADO RIVER STORAGE PROJECT**

**NETWORK INTEGRATION TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-206)**

Effective:

Rate Schedule SP-NW6 will be placed into effect on an interim basis on the first day of the first full-billing period beginning on or after January 1, 2024, and will remain in effect until FERC confirms, approves, and places the rate schedules into effect on a final basis through December 31, 2028, or until the rate schedules are superseded.

Applicable:

The Transmission Customer will compensate the Colorado River Storage Project each month for Network Integration Transmission Service under the applicable Network Integration Transmission Service Agreement and the formula rate described herein.

Formula Rate:

$$\text{Monthly Charge} = \frac{\text{Annual Transmission Revenue Requirement for Network Integration Transmission Service}}{12} \times \text{Transmission Customer's Load-Ratio Share}$$

A calculated Annual Transmission Revenue Requirement for Network Integration Transmission Service will go into effect every October 1 based on the above formula and updated financial and operational data. WAPA will notify the transmission customer annually of the recalculated annual Revenue Requirement on or before September 1.

Billing:

Billing determinants for the formula rate above will be as specified in the service agreement.

Billing will occur monthly under the formula rate.

Adjustment for Losses:

Losses incurred for service under this rate schedule will be accounted as agreed to by the parties in accordance with the service agreement. If losses are not fully provided by a transmission customer, charges for financial compensation may apply.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
COLORADO RIVER STORAGE PROJECT**

**FIRM POINT-TO-POINT TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-206)**

Effective:

Rate Schedule SP-PTP10 will be placed into effect on an interim basis on the first day of the first full-billing period beginning on or after January 1, 2024, and will remain in effect until FERC confirms, approves, and places the rate schedules into effect on a final basis through December 31, 2028, or until the rate schedules are superseded.

Applicable:

The Transmission Customer will compensate the Colorado River Storage Project each month for Reserved Capacity under the applicable Firm Point-To-Point Transmission Service Agreement and the formula rate described herein.

Formula Rate:

$$\text{Firm Point-To-Point Transmission Rate} = \frac{\text{Annual Transmission Revenue Requirement (\$)}}{\text{Firm Transmission Capacity Reservations + Network Integration Transmission Service Capacity (kW)}}$$

A recalculated rate will go into effect every October 1 based on the above formula and updated financial and operational data. WAPA will notify the transmission customer annually of the recalculated rate on or before September 1. Discounts may be offered from time to time in accordance with WAPA's Open Access Transmission Tariff.

Billing:

The formula rate above applies to the maximum amount of capacity reserved for periods ranging from 1 hour to 1 month, payable whether used or not. Billing will occur monthly.

Adjustment for Losses:

Losses incurred for service under this rate schedule will be accounted for as agreed to by the parties in accordance with the service agreement. If losses are not fully provided by a transmission customer, charges for financial compensation may apply.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
COLORADO RIVER STORAGE PROJECT**

**NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-206)**

Effective:

Rate Schedule SP-NFT9 will be placed into effect on an interim basis on the first day of the first full-billing period beginning on or after January 1, 2024, and will remain in effect until FERC confirms, approves, and places the rate schedules into effect on a final basis through December 31, 2028, or until the rate schedules are superseded.

Applicable:

The Transmission Customer will compensate the Colorado River Storage Project each month for Non-Firm, Point-to-Point Transmission Service under the applicable Non-Firm, Point-to-Point Transmission Service Agreement and the formula rate described herein.

Formula Rate:

$$\begin{array}{l} \text{Maximum Non-Firm Point-To-Point} \\ \text{Transmission Rate} \end{array} = \begin{array}{l} \text{Firm Point-To-Point} \\ \text{Transmission Rate} \end{array}$$

A recalculated rate will go into effect every October 1 based on the above formula and updated financial and load data. WAPA will notify the transmission customer annually of the recalculated rate on or before September 1. Discounts may be offered from time-to-time in accordance with WAPA's Open Access Transmission Tariff.

Billing:

The formula rate above applies to the maximum amount of capacity reserved for periods ranging from 1 hour to 1 month, payable whether used or not. Billing will occur monthly.

Adjustment for Losses:

Power and energy losses incurred in connection with the transmission and delivery of power and energy under this rate schedule shall be supplied by the customer in accordance with the service contract. If losses are not fully provided by a transmission customer, charges for financial compensation may apply.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
COLORADO RIVER STORAGE PROJECT**

UNRESERVED USE PENALTIES
(Approved Under Rate Order No. WAPA-206)

Effective:

Rate Schedule SP-UU3 will be placed into effect on an interim basis on the first day of the first full-billing period beginning on or after January 1, 2024, and will remain in effect until FERC confirms, approves, and places the rate schedules into effect on a final basis through December 31, 2028, or until the rate schedules are superseded.

Applicable:

The Transmission Customer shall compensate the Colorado River Storage Project (CRSP) each month for any unreserved use of the transmission system (Unreserved Use) under the applicable transmission service rates as outlined herein. Unreserved Use occurs when an eligible customer uses transmission service that it has not reserved or a transmission customer uses transmission service in excess of its reserved capacity. Unreserved Use may also include a customer's failure to curtail transmission when requested.

Penalty Rate:

The penalty rate for a Transmission Customer that engages in Unreserved Use is 200 percent of CRSP's approved transmission service rate for point-to-point (SP-PTP9) transmission service assessed as follows:

- (i) The Unreserved Use Penalty for a single hour of Unreserved Use is based upon the rate

for daily firm PTP service.

- (ii) The Unreserved Use Penalty for more than one assessment for a given duration (e.g., daily) increases to the next longest duration (e.g., weekly).
- (iii) The Unreserved Use Penalty for multiple instances of Unreserved Use (e.g., more than 1 hour) within a day is based on the rate for daily firm PTP service. The Unreserved Use Penalty charge for multiple instances of Unreserved Use isolated to 1 calendar week would result in a penalty based on the rate for weekly firm PTP service. The Unreserved Use Penalty charge for multiple instances of Unreserved Use during more than 1 week in a calendar month will be based on the rate for monthly firm PTP service.

A Transmission Customer that exceeds its firm reserved capacity at any point of receipt or point of delivery or an eligible customer that uses transmission service at a point of receipt or point of delivery that it has not reserved is required to pay for all ancillary services identified in WAPA's Open Access Transmission Tariff that were provided by the CRSP and associated with the Unreserved Use. The Transmission Customer will pay for ancillary services based on the amount of transmission service it used and did not reserve.

Rate:

The rate for Unreserved Use Penalties is 200 percent of WAPA's approved rate for firm point-to-point transmission service assessed as described above. Any change to the rate for Unreserved Use Penalties will be listed in a revision to this rate schedule issued under applicable Federal laws and policies and made part of the applicable service agreement.

Rate Schedule SP-EI6
SCHEDULES 4 & 9 to Tariff
(Supersedes Rate Schedule SP-EI5)

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
COLORADO RIVER STORAGE PROJECT**

**ENERGY AND GENERATOR IMBALANCE SERVICES
(Approved Under Rate Order No. WAPA-206)**

Effective:

Rate Schedule SP-EI6 will be placed into effect on an interim basis on the first day of the first full-billing period beginning on or after January 1, 2024, and will remain in effect until FERC confirms, approves, and places the rate schedules into effect on a final basis through December 31, 2028, or until the rate schedules are superseded.

Applicable:

To all CRSP Transmission Customers receiving this service.

Formula Rates:

Provided through the Western Area Colorado Missouri (WACM) Balancing Authority under Rate Schedules L-AS4 and L-AS9, or as superseded.

Rate Schedule SP-SSR6
SCHEDULES 5 & 6 to Tariff
(Supersedes Rate Schedule SP-SSR5)

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
COLORADO RIVER STORAGE PROJECT**

**OPERATING RESERVES - SPINNING AND
SUPPLEMENTAL RESERVE SERVICES
(Approved Under Rate Order No. WAPA-206)**

Effective:

Rate Schedule SP-SSR5 will be placed into effect on an interim basis on the first day of the first full-billing period beginning on or after January 1, 2024, and will remain in effect until FERC confirms, approves, and places the rate schedules into effect on a final basis through December 31, 2028, or until the rate schedules are superseded.

Applicable:

To all CRSP Transmission Customers receiving this service.

Formula Rate:

The Transmission Customer serving loads within the transmission provider's balancing authority must acquire Spinning and Supplemental Reserve services from CRSP, from a third party, or by self-supply.

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
COLORADO RIVER STORAGE PROJECT**

**SALE OF SURPLUS PRODUCTS
(Approved Under Rate Order No. WAPA-206)**

Effective:

The first day of the first full billing period beginning on or after January 1, 2024, and extending through December 31, 2028, or until superseded by another rate schedule, whichever occurs earlier.

Applicable:

This Rate Schedule applies to the sale of the following Salt Lake City Area Integrated Projects (SLCA/IP) surplus energy and capacity products: energy, frequency response, regulation, and reserves. If any of the above SLCA/IP surplus products are available, SLCA/IP can make the product(s) available for sale, providing entities enter into separate agreement(s) with CRSP Marketing which will specify the terms of the sale(s).

Formula Rate:

The charge for each product will be determined at the time of the sale based on market rates, plus administrative costs. The customer will be responsible for acquiring transmission service necessary to deliver the product(s), for which a separate charge may be incurred.

Rate Schedule SP-NFJDT
SCHEDULE 8R to OATT Attachment
(Supersedes Rate Schedule SP-NFJDT dated
October 1, 2021, through September 30, 2024)

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
COLORADO RIVER STORAGE PROJECT**

**JOINT DISPATCH TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-206)**

Effective

The first day of the first full billing period beginning on or after January 1, 2024, and extending through December 31, 2028, or until superseded by another rate schedule, whichever occurs earlier.

Applicable

This rate schedule applies to the Colorado River Storage Project (CRSP) as the Transmission Service Provider (TSP) when the Colorado River Storage Project Management Center is participating in the Western Energy Imbalance Service (WEIS) Market. The Joint Dispatch Transmission Service (JDTS) Customer shall compensate the CRSP TSP for JDTS commensurate with the receipt or delivery of energy dispatched for the JDTS Customer pursuant to the WEIS Tariff under the formula rate described herein.

Formula Rate

Hourly delivery:

On-Peak Hours: the on-peak charge \$0.00/MWh

Off-Peak Hours: the off-peak charge \$0.00/MWh

WAPA-206 Supporting Documents Index:

[USE THIS LINK FOR ACCESS TO THE SUPPORTING DOCUMENTS BINDER](#)

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