



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

Dear Firm Electric Service Customer:

As part of the current rate schedule, placed into effect January 1, 2023, under Rate Order No. WAPA-202, Western Area Power Administration (WAPA) will conduct a preliminary review of the Loveland Area Projects (LAP) Firm Electric Service Rate Drought Adder component in early spring to provide customers advance notice of any foreseen changes to the Drought Adder component. In the fall, WAPA will complete a final review of drought conditions and provide notification of any change to the Drought Adder component of the rate schedule that would take effect on January 1 of the of the following year.

WAPA initiated a rate adjustment with the publication of the notice of proposed rates for LAP firm electric service and sale of surplus products – Rate Order No. WAPA-212 (WAPA-212) in the Federal Register on June 28, 2024. In WAPA-212, the proposal is to decrease the LAP Drought Adder component due to generation projections in the Pick-Sloan Missouri River Basin system. WAPA is using this letter to notify customers that, as prescribed in the annual drought adder review process, the preliminary review has been completed, and we are estimating no additional change to the Drought Adder component for January 2025 other than what has already been proposed in WAPA-212. The proposed changes to the LAP Drought Adder component charges are shown in the table below:

January 1, 2025 Estimated	Capacity (\$/kW month)	Energy (mills/kWh)
Drought Adder Component	\$0.44 reducing to \$0.31	1.68 reducing to 1.20

WAPA will continue to monitor area water conditions through this fall and will send a final notification in October 2024 of any additional changes to the Drought Adder component for January 2025. Additionally, the final WAPA-212 rate order is expected to be published by early December 2024. That publication will also include the final Drought Adder component for January 2025, as well as the final Base components and new rate schedules.

Information concerning the firm electric service rate can be found online at www.wapa.gov/about-wapa/regions/rm/rm-rates. If you have any questions concerning this notice, please contact me at (970) 685-9562 or scook@wapa.gov.

Sincerely,

Sheila D. Cook
Rates Manager
Rocky Mountain Region