

Rate Schedule Falcon and Amistad Projects' Firm Power Formula Rate

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

**COLORADO RIVER STORAGE PROJECT MANAGEMENT CENTER
Falcon and Amistad Projects**

**Firm Power Formula Rate Calculation
(Approved Under Rate Order No. WAPA-186)**

EFFECTIVE:

The first day of the first full billing period beginning on or after June 8, 1983, through June 7, 1988, or until superseded by another formula, whichever occurs earlier. Note: Extension of this firm power formula rate, for 5-year increments, was first approved by the Federal Power Commission, predecessor of the Federal Energy Regulatory Commission (FERC), on August 12, 1977. FERC has subsequently approved the firm power formula rate on July 20, 1988, September 29, 1993, June 7, 1998, January 31, 2005, December 17, 2009, April 9, 2015, and June 20, 2019, for service through June 7, 2024. [Note: This rate schedule was extended by Rate Order No. WAPA-216 through June 7, 2029.]

Available:

In the area served by the Falcon and Amistad Projects (Projects).

Applicable:

To preference customers who are under contract with Western Area Power Administration (WAPA) to receive electric service from the Projects.

Formula Rate:

The existing formula rate provides sufficient revenue to recover annual expenses, interest, and capital replacements within the cost recovery criteria set forth in DOE Order

RA 6120.2. Annual expenses generally include operational expenses, such as salaries and benefits as well as incidental equipment costs. Equipment replacements and maintenance beyond recurring activities are considered capital replacements; these costs, along with the initial federal investment in the Projects, are amortized with interest and repaid to the U.S. Department of the Treasury. A reconciliation of estimates to actual expenses is accomplished at the end of the rate period, and any differences are included in the following year's revenue requirement.

Billing:

WAPA bills the South Texas Electric Cooperative, the sole customer that takes service from the Projects, on a monthly basis. Each monthly charge is equal to one twelfth of the Projects' annual rate installment, rounded to the penny.