



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, 2025, under Rate Order No. WAPA-212, 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 following year.

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 change to the Drought Adder component of the LAP Firm Electric Service Rate in January 2027. Though drought conditions in the region are evident, we remain on track to meet planned repayment obligations toward prior year drought deficits even with less-than-optimal generation. The charges for the LAP Firm Electric Capacity and Energy rates are as follows:

	Capacity (\$/kW month)	Energy (mills/kWh)	Estimated Change
Base Component	\$5.47	20.86	0
Drought Adder Component	\$0.18	0.69	0
Total Rate	\$5.65	21.55	0

WAPA will continue to monitor area water conditions through this fall and will send a final notification in October 2026 of any changes to the Drought Adder component for January 2027.

Information concerning the firm electric service rate can be found on our website at www.wapa.gov/about-wapa/regions/rm/rm-rates. If you have any questions concerning this notice, please contact me at (970) 447-6345 or scook@wapa.gov.

Sincerely,

Sheila D. Cook
Rates Manager
Rocky Mountain Region