



Department of Energy
Western Area Power Administration
Upper Great Plains Customer Service Region
P.O. Box 35800
Billings, MT 59107-5800

Dear Firm Peaking Power Service Customer:

As part of the current rate schedule, placed into effect January 1, 2025, under Rate Order No. WAPA-213 (published in the Federal Register on November 20, 2024), Western Area Power Administration (WAPA) will conduct a preliminary review of the Pick-Sloan Missouri Basin Program--Eastern Division (P-SMBP--ED) Firm Peaking Power 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 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 for 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. This is primarily due to market flexibility and the expansion of SPP West. The charges for the P-SMBP--ED Firm Peaking Power Demand and Energy rates are as follows:

January 1, 2027	Peaking Demand (\$/kW month)	Peaking Energy (mills/kWh)	Estimated Change
Base Component	\$6.70	16.80	-0-
Drought Adder Component	\$0.30	0.80	-0-
Total Rate	\$7.00	17.60	-0-

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

Information concerning the firm peaking power service rate can be found online at www.wapa.gov/about-wapa/regions/ugp/ugp-rates/. If you have any questions concerning this notice, please telephone me at (406) 702-4791 or email me at cady@wapa.gov.

Sincerely,

Linda Cady-Hoffman
Rates Manager
Upper Great Plains Region

bcc:

E. Bekkedahl, A0200, Lakewood, CO
A. Harsh, A9500, Lakewood, CO
G. Nansel, B0000.BL, Billings, MT
L. Frisk, B6000.WT, Watertown, SD
J. Matteson, B6400, Watertown, SD
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N. Senitte, B6200, Billings, MT
N. Garga, B6200, Huron, SD
C. Sirvas, B6200, Huron, SD
J. Lockie, B6100, Billings, MT
B. Barnhart, J0000, Loveland, CO
S. Cook, Acting J6000, Loveland, CO
S. Cook, J6100, Loveland, CO

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