



Western Area
Power Administration

DSW Transmission Final Ten-Year Plan

Desert Southwest Region | Phoenix, Arizona

September 24, 2026



Agenda

- Prepayment MOU Modification Summary
- Prepayment MOU Modification Vote
- Annual Meeting Cycle
- Draft Ten-Year Plan (TYP) Meeting Recap
- Final TYP
- Next Steps
- Prepayment Vote Preview



Prepayment MOU Modification Summary

John Paulsen
Operations Manager (acting)



MOU Modification Summary

- WAPA proposes to utilize prepayments under the Joint Planning Agreement (JPA) to fund DSW's Capital Program
- A modified Prepayment MOU will facilitate voting on DSW's Capital O&M
- Aligns MOU with JPA and current TYP process
- Introduces the term DSW Capital Program
 - Combines Construction and RRADs (Capital O&M) definitions from the JPA



Prepayment MOU Modification Vote

Maria Gomez
Accounting Supervisor



MOU Modification Vote



Official Proxy Ballot

MOU Modification for Prepayment Funding

If neither the primary nor the alternative representative are able to attend the meeting, please provide the following information:

Check one:

I vote to approve the Modification to the Memorandum of Understanding (MOU) for Prepayment Funding Process for the DSW Capital Program.

☐ **Yes**

☐ **No**

Company Name: _____

Representative Name: _____ (Please print name legibly)

Representative Signature*: _____ Date: _____

*Name and Signature must be Customer's authorized representative.

Please return the signed Proxy Ballot by **September 23, 2026** to any of the following addresses:

If by Email: dsw_finance@wapa.gov

If by First Class Mail:
Western Area Power Administration

If by Overnight Delivery:
Western Area Power Administration



Annual Meeting Cycle

Chris Garbo
Program Manager
CD&E



Annual Meeting Cycle



Draft TYP Meeting Recap and Final TYP

Todd Statler
Transmission Asset Planning Manager (acting)



Draft TYP Meeting Recap

Capital O&M Program

- Modified Prepayment MOU allows for the Capital O&M Program to be funded yearly starting with a vote in early December 2026
- The total FY27 Capital O&M budget is \$15,970,000

Breaker Replacement Program

- Transitioning from Capital O&M to Construction Program due to scope, cost, and a more sustainable source of funding
- Program will fund the purchase, installation, and commissioning of up to five breakers annually
- Proposed FY27-FY29 budget is \$8,500,000 and will be voted on in three-year increments



Draft TYP Meeting Recap

- WAPA included proposed budget increases for the following projects ahead of the Prepayment Vote Meeting in December

PROJECT NAME	APPROVED	APPROVED BUDGET	PROPOSED	INCREASE (\$)	INCREASE (%)
Parker – Blythe 161kV #2 Rebuild Phases 1-3	2020	\$41,960,000	\$69,090,000	\$27,130,000	65%
Gila Substation 69kV Rebuild	2021	\$17,900,000	\$28,540,000	\$10,640,000	59%
Oracle – Tucson 115kV Rebuild	2023	\$11,130,000	\$13,980,000	\$2,850,000	26%



Active & Pre-Construction Projects

PROJECT NAME	BUDGET	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36
Capital O&M	\$15,970	\$15,970									
Breaker Replacement Program FY27-FY29	\$8,500	\$2,750	\$2,833	\$2,917							
Bouse-Kofa 161kV Rebuild	\$26,520	\$400									
Liberty Station Service Replacements	\$1,390	\$675	\$32								
Crossman Peak Microwave Facility	\$4,525	\$900	\$100								
Oracle-Tucson 115kV Rebuild	\$13,980	\$7,850	\$3,500	\$86							
Coolidge Station Service Replacements	\$3,673		\$500	\$1,510	\$1,633						
Wood Pole Replacement Program FY26-FY28	\$15,000	\$6,300	\$3,431								
Gila-Knob 161kV Remaining Rebuild	\$32,322	\$26,210	\$1,762	\$1,684							
Bouse Upgrade Project	\$79,436	\$61,402	\$5,386	\$4,471	\$570						
Gila Substation 69kV Rebuild	\$28,538	\$2,721	\$18,221	\$1,865	\$1,268						
Parker-Blythe 161kV #2 Rebuild Phase 1	\$23,678	\$16,352	\$2,297	\$2,241	\$177						
Parker-Blythe 161kV #2 Rebuild Phase 2	\$21,353	\$251	\$16,381	\$2,194	\$1,801	\$244					
Parker-Blythe 161kV #2 Rebuild Phase 3	\$24,059	\$325	\$545	\$1,368	\$19,300	\$2,346	\$175				
Gila Substation 34.5kV Rebuild	\$16,477	\$29	\$1,423	\$381	\$11,808	\$1,296	\$1,087				

***NOTE:** All values in thousands of dollars



Proposed Out-Year Projects

PROJECT NAME	BUDGET	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36
Capital O&M Program	\$108,000		\$12,000	\$12,360	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,578	\$15,201
Mead Redundant Bus Diff Relays 230kV	\$4,300		\$2,936	\$1,112	\$252						
Mead Redundant Bus Diff Relays 500kV	\$1,801		\$1,694	\$73	\$34						
Blythe-Headgate Rock #1 161kV Rebuild	\$23,900		\$1,195	\$100	\$100	\$9,560	\$11,711	\$1,234			
Wellton New Control Building	\$3,800		\$500	\$100	\$100	\$2,600	\$500				
Parker Substation 161kV Replacements	\$16,850		\$800	\$100	\$100	\$13,550	\$1,800	\$500			
Parker Substation 230kV Replacements	\$12,100			\$800	\$100	\$100	\$9,800	\$1,300			
Bouse-Headgate Rock 161kV Rebuild	\$8,995				\$800	\$100	\$100	\$7,495	\$500		
Wood Pole Replacement Program FY29-FY31	\$15,000			\$5,000	\$5,000	\$5,000					
Breaker Replacement Program FY30-FY32	\$9,000				\$3,000	\$3,000	\$3,000				
Wood Pole Replacement Program FY32-FY34	\$15,000						\$5,000	\$5,000	\$5,000		
Breaker Replacement Program FY33-FY35	\$9,000							\$3,000	\$3,000	\$3,000	
Wood Pole Replacement Program FY35-FY37	\$15,000									\$5,000	\$5,000
Breaker Replacement Program FY36-FY38	\$3,000										\$3,000
Totals		\$133,303	\$66,166	\$40,747	\$59,366	\$26,311	\$48,172	\$44,911	\$31,529	\$21,500	\$21,000

***NOTE:** All values in thousands of dollars



Rate Impacts

Tina Ramsey
Rates Manager



Rate Impacts: Active and Pre-construction Projects

PROJECT NAME	IN SERVICE DATE	INTEREST RATE	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36
Prior Year Projects (Pending Closeout)	2026 +	various	\$ 0.26	\$ 0.52	\$ 0.67	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82
Capital O&M	2027	various		\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16
Breaker Replacement Program FY27-FY29	2029	various				\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11
Bouse-Kofa 161kV Rebuild	2027	3.000%		\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21	\$ 0.21
Liberty Station Service Replacements	2028	3.000%			\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Crossman Peak Microwave Facility	2028	3.000%			\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.04
Oracle-Tucson 115kV Rebuild	2029	3.000%				\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11
Wood Pole Replacement Program FY26-FY28	2028	4.750%			\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16
Coolidge Station Service Replacements	2030	4.750%					\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05
Gila-Knob 161kV Remaining Rebuild	2029	3.000%				\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Bouse Upgrade Project	2030	3.000%					\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.64	\$ 0.64
Gila Substation 69kV Rebuild	2030	3.000%					\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28
Parker-Blythe 161kV #2 Rebuild Phase-1	2030	3.000%					\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
Parker-Blythe 161kV #2 Rebuild Phase-2	2031	3.000%						\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
Parker-Blythe 161kV #2 Rebuild Phase-3	2032	4.875%							\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.26
Gila Substation 34.5kV Rebuild	2032	4.000%							\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16

***NOTE:** All values in dollars per kW-Year



Rate Impacts: Proposed out-year Projects

PROJECT NAME	IN SERVICE DATE	INTEREST RATE	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36
Capital O&M Program	Yearly	various			\$ 0.13	\$ 0.13	\$ 0.14	\$ 0.14	\$ 0.15	\$ 0.15	\$ 0.16	\$ 0.16
Mead Redundant Bus Diff Relays 230kV	2031	5.125%						\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05
Mead Redundant Bus Diff Relays 500kV	2031	5.125%						\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
Blythe-Headgate Rock #1 161kV Rebuild	2034	5.125%									\$ 0.25	\$ 0.25
Wellton New Control Building	2033	5.125%								\$ 0.04	\$ 0.04	\$ 0.04
Parker Substation 161kV Replacements	2034	5.125%									\$ 0.18	\$ 0.18
Parker Substation 230kV Replacements	2034	5.250%									\$ 0.13	\$ 0.13
Bouse-Headgate Rock 161kV Rebuild	2035	5.250%										\$ 0.11
Wood Pole Replacement Program FY29-FY31	2031	5.125%						\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
Breaker Replacement Program FY30-FY32	2032	5.250%							\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.13
Wood Pole Replacement Program FY32-FY34	2034	5.250%									\$ 0.16	\$ 0.16
Breaker Replacement Program FY33-FY35	2035	5.250%										\$ 0.13
Wood Pole Replacement Program FY35-FY37	2037	5.250%										
Breaker Replacement Program FY36-FY38	2038	5.250%										
Total /kW-Year			\$ 0.26	\$ 0.89	\$ 1.38	\$ 2.01	\$ 3.19	\$ 3.62	\$ 4.17	\$ 4.22	\$ 4.96	\$ 5.19
Total /kW-Month			\$ 0.02	\$ 0.07	\$ 0.11	\$ 0.17	\$ 0.27	\$ 0.30	\$ 0.35	\$ 0.35	\$ 0.41	\$ 0.43

***NOTE:** All values in dollars per kW-Year



Next Steps

Q4 TYP Meeting (Prepayment Funding)

- Scheduled for December 10th
- Vote on the use of Prepayments for DSW's Capital Program



Prepayment Vote Preview



Official Proxy Ballot

Prepayment Funding Plan

Check one:

I vote to approve the Prepayment Funding for:

New Program

			Yes	No
Capital O&M Program	\$15,970,000		☐	☐
Breaker Replacement Program FY27 – FY29	\$8,500,000		☐	☐

Additional funding

Parker – Blythe 161kV #2 Rebuild	\$27,130,000	☐	☐
Gila 69kV Substation Rebuild	\$10,640,000	☐	☐
Oracle – Tucson 115kV Rebuild	\$2,850,000	☐	☐
Total Funding	\$65,090,000	☐	☐

Company Name: _____

Representative Name: _____ (Please print name legibly)

Representative Signature*: _____ Date: _____

*Name and Signature must be Customer's authorized representative.

Please return the signed Proxy Ballot by **December 9, 2026**, to any of the following addresses:

If by Email: dsw_finance@wapa.gov

If by First Class Mail:
Western Area Power Administration

If by Overnight Delivery:
Western Area Power Administration



Questions or Comments?



Contact WAPA

Ten-Year Plan

Todd Statler

Transmission Asset Planning Manager (acting)

(602) 830-1766

Prepayment MOU

John Paulsen

Operations Manager (acting)

(602) 812-2317

Prepayment Funding

Maria Gomez

Accounting Supervisor

(602) 605-2446

