



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 (published in the Federal Register on November 4, 2024), 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.

This letter is to notify customers that WAPA has completed its annual review of the Drought Adder component and determined the Drought Adder component charge of the LAP Firm Electric Service rate will not change for the coming year beginning January 1, 2027. Though drought conditions in the regions continue to be 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 optimization of our resources and flexibility in the expanded SPP market. The LAP Base and Drought Adder component charges are shown in the table below:

January 1, 2027	Capacity (\$/kW month)	Energy (mills/kWh)	Change
Base Component	\$5.47	20.86	0
Drought Adder Component	\$0.18	0.69	0
Total Rate	\$5.65	21.55	0

Additional information concerning the firm electric service rate can be found on RMR's Rates website at <https://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
COOK**

Digitally signed by
SHEILA COOK
Date: 2026.10.15
14:42:36 -06'00'

Sheila D. Cook
Rates Manager
Rocky Mountain Region