



DEPARTMENT OF ENERGY

Western Area Power Administration

Desert Southwest Region - Rate Order No. WAPA-209

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order concerning formula rates for transmission and firm electric service.

SUMMARY: New formula rates for firm and nonfirm point-to-point (P2P) and network integration (Network) transmission service have been confirmed, approved, and placed into effect on an interim basis for the Desert Southwest Region (DSW) of the Western Area Power Administration (WAPA). The revisions to the existing formula rates for Parker-Davis Project (PDP) firm electric service (FES) and firm transmission service of Salt Lake City Area/Integrated Projects (SLCA/IP) power have also been confirmed, approved, and placed into effect on an interim basis. The new formula rates and revisions to existing formula rates combine the facilities use charge for Electrical District No. 5 to Palo Verde Hub Project (ED5-PVH) and the transmission service rates of Central Arizona Project (CAP), the southern portion of Pacific Northwest-Pacific Southwest Intertie Project (Intertie), and PDP.

DATES: The provisional formula rates under Rate Schedules DSW-FT1, DSW-NFT1, DSW-NTS1, PD-F8, and PD-FCT8 are effective on the first day of the first full billing period beginning on or after January 1, 2024, and will remain in effect through September 30, 2028, pending confirmation and approval by the Federal Energy Regulatory Commission (FERC) on a final basis or until superseded.

FOR FURTHER INFORMATION CONTACT: Jack D. Murray, Regional Manager, Desert Southwest Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, or email: dswpwrmrk@wapa.gov, or Tina Ramsey, Rates Manager,

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SUPPLEMENTARY INFORMATION: The following Rate Schedules have been approved and confirmed by FERC on a final basis, or approved by WAPA's Administrator on an interim basis and pending final approval and confirmation by FERC, through the dates indicated below:

Rate Schedules	Rate Order Nos.	Dates	
		Approval	Expiration
CAP-FT3 ¹	WAPA-193	12/10/2020	12/31/2025
INT-FT5 ²	WAPA-210	10/1/2023	9/30/2024
PD-FT7 ²	WAPA-210	10/1/2023	9/30/2024
CAP-NFT3 ¹	WAPA-193	12/10/2020	12/31/2025
INT-NFT4 ²	WAPA-210	10/1/2023	9/30/2024
PD-NFT7 ²	WAPA-210	10/1/2023	9/30/2024
CAP-NITS3 ¹	WAPA-193	12/10/2020	12/31/2025
INT-NTS4 ³	WAPA-200	10/25/2022	9/30/2026
PD-NTS4 ³	WAPA-200	10/25/2022	9/30/2026
PD-F7 ²	WAPA-210	10/1/2023	9/30/2024
PD-FCT7 ²	WAPA-210	10/1/2023	9/30/2024

Rate Schedules CAP-FT3, INT-FT5, and PD-FT7 apply to long-term and short-term firm P2P transmission service. Rate Schedules CAP-NFT3, INT-NFT4, and PD-NFT7 apply to nonfirm P2P transmission service. Rate Schedules CAP-NITS3, INT-NTS4, and PD-NTS4 apply to Network transmission service. Rate Schedules PD-F7 and PD-FCT7 apply to PDP FES and transmission service of SLCA/IP power, respectively. Existing rate schedules do not apply to ED5-PVH; rather, since the project began commercial operation in 2015, DSW has charged for the use of ED5-PVH facilities through a

¹ Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket No. EF20-10-000.

² 88 FR 59904 (Aug. 30, 2023) (extending rate schedules and placing them into effect on an interim basis); FERC filing in Docket No. EF23-9-000.

³ Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket No. EF21-6-000.

contractual arrangement with customers.⁴ The facilities use charge for ED5-PVH is designed to recover all costs incurred by WAPA in connection with the project including debt service, operation, maintenance, replacements, and extraordinary repairs.

WAPA published a *Federal Register* notice (Proposed FRN) on June 30, 2023 (88 FR 42355), proposing new formula rates for firm and nonfirm P2P and Network transmission service and revisions to the existing formula rates for PDP FES and firm transmission service of SLCA/IP power. The proposed new formula rates and revisions to existing formula rates would combine the facilities use charge for the ED5-PVH and the transmission service rates of CAP, the southern portion of Intertie, and PDP. The Proposed FRN also initiated a 90-day public consultation and comment period and set forth the dates and location of the public information and public comment forums.

Legal Authority

By Delegation Order No. S1-DEL-RATES-2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the WAPA Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates, to FERC. By Delegation Order No. S1-DEL-S3-2023, effective April 10, 2023, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Infrastructure. By Redefinition Order No. S3-DEL-WAPA1-2023, effective April 10, 2023, the Under Secretary for Infrastructure further redelegate the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This rate action is issued under

⁴ The ED5-PVH is a 109-mile transmission project completed under WAPA's Transmission Infrastructure Program (TIP). TIP was established to implement section 301 of the Hoover Power Plant Act of 1984 (Public Law 98-381), which was enacted pursuant to section 402 of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), and manage WAPA's \$3.25 billion borrowing authority to support projects facilitating the delivery of renewable resources in the western United States.

Redelegation Order No. S3-DEL-WAPA1-2023 and Department of Energy procedures for public participation in rate adjustments set forth at 10 CFR part 903.⁵

Following a review of DSW's proposal, Rate Order No. WAPA-209, which provides the formula rates for transmission and firm electric service, is hereby confirmed, approved, and placed into effect on an interim basis. WAPA will submit Rate Order No. WAPA-209 to FERC for confirmation and approval on a final basis.

⁵ 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

**DEPARTMENT OF ENERGY
ADMINISTRATOR, WESTERN AREA POWER ADMINISTRATION**

In the Matter of:)
Western Area Power Administration)
Desert Southwest Region) Rate Order No. WAPA-209
Transmission and Firm Electric Service)
Formula Rates)

**ORDER CONFIRMING, APPROVING, AND PLACING THE FORMULA RATES
FOR THE DESERT SOUTHWEST REGION INTO EFFECT ON AN INTERIM BASIS**

The formula rates in Rate Order No. WAPA-209 are established following section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152).¹

By Delegation Order No. S1-DEL-RATES-2016, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Western Area Power Administration (WAPA) Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates, to the Federal Energy Regulatory Commission (FERC). By Delegation Order No. S1-DEL-S3-2023, effective April 10, 2023, the Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Infrastructure. By Redelegation Order No. S3-DEL-WAPA1-2023, effective April 10, 2023, the Under Secretary for Infrastructure further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This rate action is issued under Redelegation Order No. S3-DEL-WAPA1-2023 and DOE procedures for public participation in rate adjustments set forth at 10 CFR part 903.²

Acronyms, Terms, and Definitions

¹ This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), and other acts that specifically apply to the projects involved.

² 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

As used in this Rate Order, the following acronyms, terms, and definitions apply:

<u>ATRR:</u>	Annual Transmission Revenue Requirement.
<u>Capacity:</u>	The electric capability of a generator, transformer, transmission circuit, or other equipment. It is expressed in kilowatts (kW) or megawatts (MW).
<u>Capacity Rate:</u>	The rate which sets forth the charges for capacity. It is expressed in dollars per kilowatt-month and applied to each kilowatt of the customer's monthly contractual energy reservation.
<u>DOE:</u>	Department of Energy.
<u>Energy:</u>	Measured in terms of the work it can do over time. Electric energy is expressed in kilowatt-hours or megawatt-hours.
<u>Energy Rate:</u>	The rate which sets forth the charges for energy. It is expressed in mills per kilowatt-hour and applied to each kilowatt-hour delivered to each customer.
<u>FES:</u>	Firm electric service.
<u>FRN:</u>	<i>Federal Register</i> notice – a document published in the <i>Federal Register</i> for WAPA to provide information of public interest.
<u>kW:</u>	Kilowatt - the electrical unit of capacity that equals 1,000 watts.
<u>kWh:</u>	Kilowatt-hour - the electrical unit of energy that equals 1,000 watts in 1 hour.
<u>kW-month:</u>	Kilowatt-month - the electrical unit of the monthly amount of capacity.
<u>kW-year:</u>	Kilowatt-year - the electrical unit of the yearly amount of capacity.
<u>mills/kWh:</u>	Mills per kilowatt-hour - the unit of charge for energy (equal to one tenth of a cent or one thousandth of a dollar).
<u>NEPA:</u>	National Environmental Policy Act of 1969, as amended.
<u>Network:</u>	Network integration.
<u>OATT:</u>	Open Access Transmission Tariff, including all schedules or attachments thereto, as amended from

time to time and approved by FERC.

<u>Order RA 6120.2:</u>	DOE Order outlining Power Marketing Administration financial reporting and rate-making procedures.
<u>P2P:</u>	Point-to-point.
<u>Power:</u>	Capacity and energy.
<u>Provisional Formula Rates:</u>	Formula rates that are confirmed, approved, and placed into effect on an interim basis by the Secretary or his/her designee.

Effective Date

The provisional formula rates under Rate Schedules DSW-FT1, DSW-NFT1, DSW-NTS1, PD-F8, and PD-FCT8 will take effect the first day of the full billing period beginning on or after January 1, 2024, and will remain in effect through September 30, 2028, pending approval by FERC on a final basis or until superseded.

Public Notice and Comment

WAPA's Desert Southwest Region (DSW) followed the Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions, 10 CFR part 903, in developing these formula rates. DSW took the following steps to involve interested parties in the rate process:

1. On June 30, 2023, a *Federal Register* notice (88 FR 42355) (Proposed FRN) announced the proposed formula rates and initiated a 90-day public consultation and comment period.
2. On June 30, 2023, DSW notified customers and interested parties of the proposed formula rates and provided a copy of the Proposed FRN by e-mail.
3. On August 7, 2023, DSW held a public information forum via video conference and in person at DSW's Phoenix, Arizona office. DSW representatives explained the proposed formula rates and answered questions.
4. On August 29, 2023, DSW held a public comment forum via video conference and in

- person at DSW's Phoenix, Arizona office to provide an opportunity for customers and other interested parties to comment for the record.
5. DSW established a public website to post information about the rate process. The website is located at www.wapa.gov/about-wapa/regions/dsw/rates/otr.
 6. During the 90-day consultation and comment period, which ended on September 28, 2023, DSW received comments from eleven entities. DSW's responses to questions received prior to the public comment forum were posted to the public website.
 7. The comments received during or after the public comment forum are addressed in the "Comments" section. All comments have been considered in the preparation of this Rate Order.

Oral comments were received from the following organizations:

Electrical District No. 4 of Pinal County

Electrical District No. 7 of Maricopa County

Hohokam Irrigation and Drainage District

Maricopa Water District

Salt River Pima-Maricopa Indian Community

Town of Gilbert, Arizona

Town of Wickenburg, Arizona

Wellton-Mohawk Irrigation and Drainage District

Written comments were received from the following organizations:

Calpine Energy Services

Central Arizona Water Conservation District

Griffith Energy

Discussion

The rates for transmission service on Central Arizona Project (CAP), Pacific Northwest-Pacific Southwest Intertie Project (Intertie), and Parker-Davis Project (PDP), and the facilities use charge for Electrical District No. 5 to Palo Verde Hub Project (ED5-PVH), have substantially converged over the last several years. Combining the rates and facilities use charge for these projects into “One Transmission Rate” (OTR) is expected to provide benefits to DSW’s customers by allowing more efficient scheduling and use of each project’s transmission facilities, eliminating multiple charges (rate pancaking) among the transmission systems, and providing rate and financial stability by having a larger revenue requirement with a more diverse customer base.

Although the transmission service rates and facilities use charge are combined under the OTR, the projects remain separate for financial accounting and repayment purposes. The formula rates under the OTR provide sufficient revenue to recover annual operation, maintenance, and replacement costs, interest expense, and capital repayment requirements while ensuring repayment of the projects within the cost recovery criteria set forth in DOE Order RA 6120.2.

To implement the OTR, DSW’s new rate schedules contain formula rates for firm and nonfirm P2P and Network transmission service. These new schedules supersede the existing rate schedules for CAP, Intertie, and PDP transmission service and replace the contractual charge for the use of ED5-PVH facilities. DSW also made changes to the existing formula rates for PDP FES and firm transmission service of Salt Lake City Area/Integrated Projects (SLCA/IP) power so they align with the new rate schedule for firm P2P transmission service.

DSW’s formula rates for firm and nonfirm P2P and Network transmission service under the OTR, along with PDP FES and firm transmission service of SLCA/IP power, will go into effect the first day of the first full billing period beginning on or after January 1, 2024, and remain in effect through September 30, 2028, or until DSW changes the

formula rates through another public rate process pursuant to 10 CFR part 903, whichever occurs first.

Firm Point-to-Point Transmission Service

DSW's new rate schedule, DSW-FT1, applies to long-term and short-term firm P2P transmission service on CAP, Intertie, PDP, and ED5-PVH. This rate schedule contains formulas to calculate the rates for firm P2P transmission service. For long-term transmission service (one year or longer), the annual rate for each kW-year equals the combined ATRR of each project, which is the amount of revenue that each project needs to cover the costs associated with its transmission system, divided by the combined anticipated long-term capacity reservations for each project, rounded to the nearest 12-cent increment. For short-term transmission service (up to one year), the maximum rate for each kW is equal to the annual long-term rate divided by the applicable period of time (*i.e.*, monthly, weekly, daily and hourly) and rounded to up to five decimal places.

These long-term and short-term rates will be calculated annually using updated financial and capacity reservation information, as applicable. This new rate schedule supersedes Rate Schedules CAP-FT3, INT-FT5, and PD-FT7.

Nonfirm Point-to-Point Transmission Service

DSW's new rate schedule, DSW-NFT1, applies to nonfirm P2P transmission service on CAP, Intertie, PDP, and ED5-PVH. This rate schedule contains a formula to calculate the rate for nonfirm P2P transmission service. The nonfirm rate is calculated by dividing the annual long-term rate for firm P2P transmission service by 8,760 hours and rounding to five decimal places. The nonfirm rate will be calculated annually using the long-term rate for firm P2P transmission service. This new rate schedule supersedes Rate Schedules CAP-NFT3, INT-NFT4, and PD-NFT7.

Network Transmission Service

DSW's new rate schedule, DSW-NTS1, applies to Network transmission service on CAP, Intertie, PDP, and ED5-PVH. This rate schedule contains a formula to calculate the monthly charge for Network transmission service. The monthly charge is determined by multiplying the customer's load ratio share, the ratio of the customer's Network load to the transmission provider's total load, times one twelfth (1/12) of the combined ATRR of each project. The combined ATRR will be calculated annually using updated financial information. This new rate schedule supersedes Rate Schedules CAP-NITS3, INT-NTS4, and PD-NTS4.

PDP Firm Electric Service

DSW revised Rate Schedule PD-F7 so the transmission charge aligns with the new rate schedule, DSW-FT1, for long-term and short-term firm P2P transmission service on CAP, Intertie, PDP, and ED5-PVH. No changes occurred to the energy or capacity charges. DSW also made other minor changes to Rate Schedule PD-F7. Specifically, the rate schedule was modified to indicate that recently approved Rate Schedule DSW-UU1³ applies to unauthorized transmission overruns. In addition, the section on transformer losses was deleted because it only pertained to deliveries made with meters located at distribution voltage, a situation that no longer exists for DSW. The revised rate schedule, PD-F8, supersedes PD-F7.

PDP Transmission Service of SLCA/IP Power

DSW revised Rate Schedule PD-FCT7 to align with the new rate schedule, DSW-FT1, for long-term and short-term firm P2P transmission service on CAP, Intertie, PDP, and ED5-PVH. DSW also made minor changes to sections of Rate Schedule PD-FCT7 addressing adjustment for losses and overrun of capacity. Specifically, the new rate schedule reflects that recently approved Rate Schedules DSW-TL1 and DSW-UU1⁴

³ Order Confirming and Approving Rate Schedules on a Final Basis, FERC Docket No. EF21-6-000.

⁴ Ibid.

apply to transmission losses service and unreserved use, respectively. The revised rate schedule, PD-FCT8, supersedes PD-FCT7.

Table of Rate Schedules

The table below provides a crosswalk from the existing rate schedules to the new rate schedules.

Rate Schedules	
Existing	New
CAP-FT3, INT-FT5 & PD-FT7	DSW-FT1
CAP-NFT3, INT-NFT4 & PD-NFT7	DSW-NFT1
CAP-NITS3, INT-NTS4 & PD-NTS4	DSW-NTS1
PD-F7	PD-F8
PD-FCT7	PD-FCT8

Prepayment of Service

Long-term firm P2P and Network transmission service under Rate Schedules DSW-FT1 and DSW-NTS1 will be paid one month in advance and credited in a subsequent month. The Intertie and PDP long-term firm P2P transmission customers currently prepay for service and will experience no change. As described below, CAP long-term firm P2P and PDP Network transmission customers and ED5-PVH facilities use customers will start prepaying for service when the rate schedules become effective.

The monthly prepayment for long-term firm P2P transmission service will be based on the capacity reserved. The monthly prepayment for Network transmission service will be based on the most recent bill. Since transmission customers that currently do not prepay for service will have two payments each month during the first two months, one for service in arrears and one for prepayment, customers may choose an optional four-month transitional period to phase in prepayments. With a transitional period, the two additional payments that are necessary during the first two months will be evenly distributed over the first four months to help mitigate the potential financial burden on customers.

Comments

DSW received oral and/or written comments during the public consultation and comment period from eleven entities. The comments expressed have been paraphrased

and/or combined, where appropriate, without compromising the meaning of the comments.

A. Comment: A commenter requested the OTR be flexible to accommodate the inclusion of future projects which may be funded by WAPA's Transmission Infrastructure Program or non-DSW transmission facilities.

Response: WAPA believes the OTR can accommodate such projects if they are an element of CAP, Intertie, PDP, or ED5-PVH. Transmission facilities separate from those transmission systems would require a public process to modify the formula rates for the OTR to accommodate them.

B. Comment: Several commenters expressed support for the OTR.

Response: WAPA appreciates the comments and support for establishing a single rate for DSW transmission systems.

C. Comment: A commenter inquired about the availability of additional markets to customers under the proposed OTR.

Response: The availability of additional markets will vary by customer and existing transmission system usage. However, subject to the OATT, customers would have the ability to redirect service on the entire DSW transmission system regardless of project and without being subject to additional charges and to reserve new transmission service on the entire DSW transmission system in one transaction.

D. Comment: A commenter believes the proposed OTR employs an arbitrary rate setting methodology adversely impacting Intertie-only customers by unfairly subsidizing other DSW transmission projects without providing any additional benefits.

Response: Since April 2022, DSW has held several customer workgroup meetings to review and discuss the OTR rate methodology to ensure it is sound and provides the best value for the customers. As part of this action, the Administrator determined the

new rate schedules are the lowest possible consistent with sound business principles. Customers across DSW will receive multiple benefits from the OTR both in the short and long term. Customers taking transmission through the OTR will receive more efficient scheduling and use of each project's transmission facilities. The OTR will also eliminate multiple charges (rate pancaking) among the transmission systems and provide rate and financial stability by having a larger revenue requirement and more diverse customer base.

- E. Comment: A commenter requested that Intertie-only customers be grandfathered under the existing Intertie rate structure to prevent subsidization of other DSW transmission projects.

Response: To realize the benefits of the OTR, including the elimination of rate pancaking and enhanced rate and financial stability, the transmission service rates and facilities use charge for all projects must be combined under one methodology. Preserving the rate structure for any particular project, or grandfathering particular customers, would undermine and be contrary to the purpose of the OTR. Even though the transmission service rates and facilities use charge would be combined under the OTR, the projects will remain separate for financial accounting and repayment purposes.

Certification of Rates

I have certified the Provisional Formula Rates under Rate Schedules DSW-FT1, DSW-NFT1, DSW-NTS1, PD-F8, and PD-FCT8 for DSW are the lowest possible rates, consistent with sound business principles. The Provisional Formula Rates were developed following administrative policies and applicable laws.

Availability of Information

Information used by DSW to develop the Provisional Formula Rates is available for inspection and copying at the Desert Southwest Regional Office, 615 South 43rd Avenue, Phoenix, Arizona. These documents are also available on WAPA's website at www.wapa.gov/about-wapa/regions/dsw/rates/otr.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

WAPA has determined this action fits within the following categorical exclusion listed in appendix B to subpart D of 10 CFR part 1021: B4.3 (Electric power marketing rate changes). Categorically excluded projects and activities do not require preparation of either an environmental impact statement or an environmental assessment.⁵ A copy of the categorical exclusion determination is available on WAPA's website at www.wapa.gov/about-wapa/regions/dsw/environment.

Determination Under Executive Order 12866

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Submission to the Federal Energy Regulatory Commission

The Provisional Formula Rates herein confirmed, approved, and placed into effect on an interim basis, together with supporting documents, will be submitted to FERC for confirmation and final approval.

⁵ The determination was done in compliance with NEPA (42 U.S.C. 4321-4347); the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

ORDER

In view of the above and under the authority delegated to me, I hereby confirm, approve, and place into effect, on an interim basis, Rate Order No. WAPA-209. The formula rates will remain in effect on an interim basis until: (1) FERC confirms and approves them on a final basis; (2) subsequent formula rates are confirmed and approved; or (3) such formula rates are superseded.

Signing Authority

This document of the Department of Energy was signed on December 1, 2023, by Tracey A. LeBeau, Administrator, Western Area Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on December 5, 2023.

Treena V. Garrett,
Federal Register Liaison Officer,
U.S. Department of Energy.

**Rate Schedule DSW-FT1
SCHEDULE 7 to OATT
(Supersedes Rate Schedules CAP-FT3, INT-FT5 and PD-FT7)**

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

**DESERT SOUTHWEST REGION
Central Arizona Project
Electrical District No. 5 to Palo Verde Hub Project
Pacific Northwest-Pacific Southwest Intertie Project
Parker-Davis Project**

**LONG-TERM AND SHORT-TERM FIRM
POINT-TO-POINT TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-209)**

Effective:

The first day of the first full billing period beginning on or after January 1, 2024, and extending through September 30, 2028, or until superseded by another rate schedule, whichever occurs earlier.

Available:

In the area served by the Central Arizona Project (CAP), Electrical District No. 5 to Palo Verde Hub Project (ED5-PVH), Pacific Northwest-Pacific Southwest Intertie Project (Intertie), and Parker-Davis Project (PDP).

Applicable:

This rate schedule applies to long-term and short-term firm point-to-point transmission service where capacity and energy are supplied at points of receipt on the CAP, ED5-PVH, Intertie, and PDP, and transmitted and delivered, less losses, to points of delivery on the CAP, ED5-PVH, Intertie, and PDP.

Character and Conditions of Service:

Alternating current at 60 hertz, three-phase, delivered and metered at the voltages and points of delivery established by service agreement or non-OATT agreement.

Long-Term Rate:

For transmission service one year or longer, the annual rate for each kilowatt per year (kW-year) equals the combined annual transmission revenue requirements for CAP, ED5-PVH, Intertie, and PDP divided by the anticipated long-term capacity reservations for CAP, ED5-PVH, Intertie, and PDP, rounded to the nearest 12-cent increment. The annual long-term rate for transmission service is payable monthly; the rate for each kilowatt per month (kW-month) equals the annual rate per kW-year divided by 12.

The long-term rate will be calculated annually based on the above formula with updated financial and capacity reservation information, as applicable. Discounts may be available in accordance with WAPA’s OATT.

Short-Term Rates:

For transmission service up to one year, the maximum rate for each kilowatt is the following:

Monthly	Annual long-term rate divided by 12 months and rounded two decimal places
Weekly	Annual long-term rate divided by 52 weeks and rounded two decimal places
Daily	Annual long-term rate divided by 365 days and rounded two decimal places
Hourly	Annual long-term rate divided by 8,760 hours and rounded five decimal places

Discounts may be available in accordance with WAPA’s OATT.

Billing:

Billing for firm point-to-point transmission service will occur monthly by applying the applicable rate under this schedule to the capacity reserved. There will be a single charge (no rate pancaking) for long-term or short-term firm transmission service over a continuous path across multiple projects. Payment for long-term point-to-point transmission service will be required one month in advance of said service.

Adjustment for Reactive Power:

There shall be no entitlement to the transfer of reactive kilovolt-amperes at delivery points, except when such transfers may be mutually agreed upon by the customer and WAPA or their authorized representatives.

Adjustment for Losses:

Capacity and energy losses incurred in connection with the transmission and delivery of capacity and energy shall be assessed in accordance with the rate schedule for transmission losses service in effect.

Unauthorized Overruns:

WAPA will assess charges for unreserved use of transmission service in accordance with the rate schedule for unreserved use penalties in effect.

**Rate Schedule DSW-NFT1
SCHEDULE 8 to OATT
(Supersedes Rate Schedules CAP-NFT3, INT-NFT4 and PD-NFT7)**

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

**DESERT SOUTHWEST REGION
Central Arizona Project
Electrical District No. 5 to Palo Verde Hub Project
Pacific Northwest-Pacific Southwest Intertie Project
Parker-Davis Project**

**NONFIRM TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-209)**

Effective:

The first day of the first full billing period beginning on or after January 1, 2024, and extending through September 30, 2028, or until superseded by another rate schedule, whichever occurs earlier.

Available:

In the area served by the Central Arizona Project (CAP), Electrical District No. 5 to Palo Verde Hub Project (ED5-PVH), Pacific Northwest-Pacific Southwest Intertie Project (Intertie), and Parker-Davis Project (PDP).

Applicable:

This rate schedule applies to nonfirm transmission service where capacity and energy are supplied at points of receipt on the CAP, ED5-PVH, Intertie, and PDP, and transmitted and delivered, less losses, to points of delivery on the CAP, ED5-PVH, Intertie, and PDP.

Character and Conditions of Service:

Alternating current at 60 hertz, three-phase, delivered and metered at the voltages and points of delivery established by the capacity reservation.

Rate:

For nonfirm transmission service, the maximum hourly rate for each kilowatt equals the annual long-term rate for firm point-to-point transmission service divided by 8,760 hours and rounded to five decimal places. The hourly rate will be calculated annually using updated information, as applicable. Discounts may be available in accordance with WAPA's OATT.

Billing:

Billing for nonfirm transmission service will occur monthly by applying the rate under this rate schedule to the amount of capacity reserved. There will be a single charge (no rate pancaking) for nonfirm transmission service over a continuous path across multiple projects.

Adjustment for Reactive Power:

There shall be no entitlement to the transfer of reactive kilovolt-amperes at delivery points, except when such transfers may be mutually agreed upon by the customer and WAPA or their authorized representatives.

Adjustment for Losses:

Capacity and energy losses incurred in connection with the transmission and delivery of capacity and energy shall be assessed in accordance with the rate schedule for transmission losses service in effect.

**Rate Schedule DSW-NTS1
ATTACHMENT H to OATT
(Supersedes Rate Schedules CAP-NITS3, INT-NTS4 and PD-NTS4)**

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

**DESERT SOUTHWEST REGION
Central Arizona Project
Electrical District No. 5 to Palo Verde Hub Project
Pacific Northwest-Pacific Southwest Intertie Project
Parker-Davis Project**

**NETWORK INTEGRATION TRANSMISSION SERVICE
(Approved Under Rate Order No. WAPA-209)**

Effective:

The first day of the first full billing period beginning on or after January 1, 2024, and extending through September 30, 2028, or until superseded by another rate schedule, whichever occurs earlier.

Available:

In the area served by the Central Arizona Project (CAP), Electrical District No. 5 to Palo Verde Hub Project (ED5-PVH), Pacific Northwest-Pacific Southwest Intertie Project (Intertie), and Parker-Davis Project (PDP).

Applicable:

This rate schedule applies to network integration (Network) transmission service where capacity and energy are supplied from designated network resources on the CAP, ED5-PVH, Intertie, and PDP, and transmitted and delivered to designated network loads on the CAP, ED5-PVH, Intertie, and PDP.

Charge:

The monthly charge for Network transmission service equals the customer's load ratio share, the ratio of the customer's network load to the transmission provider's total load,

times one twelfth (1/12) of the combined annual transmission revenue requirements for CAP, ED5-PVH, Intertie, and PDP.

The combined annual transmission revenue requirement for CAP, ED5-PVH, Intertie, and PDP will be calculated annually with updated financial information.

Billing:

Billing for network transmission service will occur monthly. There will be a single charge (no rate pancaking) for transmission service over multiple projects. Payment for network transmission service will be required one month in advance of said service.

Adjustment for Losses:

Capacity and energy losses incurred in connection with the transmission and delivery of capacity and energy shall be assessed in accordance with the rate schedule for transmission losses service in effect.

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

**DESERT SOUTHWEST REGION
Parker-Davis Project**

**FIRM ELECTRIC SERVICE
(Approved Under Rate Order No. WAPA-209)**

Effective:

The first day of the first full billing period beginning on or after January 1, 2024, and extending through September 30, 2028, or until superseded by another rate schedule, whichever occurs earlier.

Available:

In the area served by the Parker-Davis Project (PDP).

Applicable:

The rate schedule applies to firm electric service supplied through one meter at one point of delivery, unless otherwise provided by contract.

Character and Conditions of Service:

Alternating current at 60 hertz, three-phase, delivered and metered at the voltages and points of delivery established by contract.

Charges:

Energy:

Each firm electric service customer shall be billed a monthly energy charge. This charge equals the customer's monthly contractual energy reservation multiplied by the Energy Rate and rounded to the penny. The Energy Rate equals 50 percent of the annual generation revenue requirement divided by the estimated total generation delivery commitments, rounded to two decimal places.

Capacity:

Each firm electric service customer shall be billed a monthly capacity charge. This charge equals the customer's monthly contractual capacity reservation multiplied by the Capacity Rate and rounded to the penny. The Capacity Rate equals 50 percent of the annual generation revenue requirement divided by the estimated total generation delivery commitments, rounded to two decimal places.

Transmission:

Each firm electric service customer shall be billed monthly a transmission charge. This charge equals the customer's contractual reservation multiplied by the long-term rate calculated in accordance with the rate schedule for firm point-to-point transmission service in effect, rounded to the penny.

Lower Basin Development Fund Contribution:

The contribution charge equals 4.5 mills/kWh for each kWh measured or scheduled to an Arizona customer and 2.5 mills/kWh for each kWh measured or scheduled to a California or Nevada customer.

Excess Energy:

When excess energy is available, offered, and delivered to firm electric service customers, such excess energy shall be charged using the Energy Rate.

Unauthorized Overruns/Unreserved Use:

Unauthorized overruns of energy and/or capacity shall be charged ten times the applicable Energy and/or Capacity Rate. Unreserved use of transmission service shall be charged in accordance with the rate schedule for unreserved use penalties in effect.

Power Factor:

The firm electric service customer normally will be required to maintain a power factor at all points of measurement between 95-percent lagging and 95-percent leading.

**Rate Schedule PD-FCT8
(Supersedes Rate Schedule PD-FCT7)**

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

**DESERT SOUTHWEST REGION
Parker-Davis Project**

**FIRM TRANSMISSION SERVICE OF
SALT LAKE CITY AREA/INTEGRATED PROJECTS POWER
(Approved Under Rate Order No. WAPA-209)**

Effective:

The first day of the first full billing period beginning on or after January 1, 2024, and extending through September 30, 2028, or until superseded by another rate schedule, whichever occurs earlier.

Available:

In the area served by the Central Arizona Project (CAP), Electrical District No. 5 to Palo Verde Hub Project (ED5-PVH), Pacific Northwest-Pacific Southwest Intertie Project (Intertie), and Parker-Davis Project (PDP).

Applicable:

This rate schedule applies to firm transmission service where Salt Lake City Area/Integrated Projects (SLCA/IP) capacity and energy are supplied at points of receipt on the PDP, and transmitted and delivered, less losses, to points of delivery on the PDP.

Character and Conditions of Service:

Alternating current at 60 hertz, three-phase, delivered and metered at the voltages and points of delivery established by service agreement or non-OATT agreement.

Rate:

For firm transmission service of SLCA/IP power, the annual rate for each kilowatt per year (kW-year) equals the long-term rate for point-to-point transmission service on

CAP, ED5-PVH, Intertie, and PDP. The annual long-term rate for transmission service is payable monthly; the rate for each kilowatt per month (kW-month) equals the annual rate per kW-year divided by 12.

Billing:

Billing for firm transmission service of SLCA/IP power will occur monthly by applying the rate under this rate schedule to the amount of capacity reserved. There will be a single charge (no rate pancaking) for firm transmission service over a continuous path across multiple projects. Payment for transmission service will be required one month in advance of said service.

Adjustments for Reactive Power:

There shall be no entitlement to the transfer of reactive kilovolt-amperes at delivery points, except when such transfers may be mutually agreed upon by the customer and WAPA or their authorized representatives.

Adjustments for Losses:

Capacity and energy losses incurred in connection with the transmission and delivery of capacity and energy shall be assessed in accordance with the rate schedule for transmission losses service in effect.

Unreserved Use:

WAPA will assess charges for unreserved use of transmission service in accordance with the rate schedule for unreserved use penalties in effect.