



DEPARTMENT OF ENERGY

Western Area Power Administration

Central Arizona Project, Colorado River Storage Project, Loveland Area Projects, Pacific Northwest-Pacific Southwest Intertie Project, and Parker-Davis Project - Rate Order No. WAPA-215

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order extending the formula rates for use under the WestConnect Point-to-Point Regional Transmission Service Participation Agreement (WestConnect PA).

SUMMARY: The extension of the Colorado River Storage Project Management Center (CRSP MC), Desert Southwest Region (DSW), and Rocky Mountain Region's (RM) (collectively referred to herein as the "Regions") existing transmission service formula rates for use under the WestConnect PA has been confirmed, approved, and placed into effect on an interim basis. The existing formula rates under Rate Schedule WC-8 are set to expire on May 31, 2024. This rate extension makes no changes to the existing formula rates and extends them through September 30, 2026.

DATES: The extended formula rates under Rate Schedule WC-8 will be placed into effect on an interim basis on June 1, 2024.

FOR FURTHER INFORMATION CONTACT: Rodney Bailey, Manager, CRSP MC, Western Area Power Administration, 1800 South Rio Grande Avenue, Montrose, CO 81401, or email: CRSPMC-rate-adj@wapa.gov; Tamala Gheller, Rates Manager, CRSP MC, 970-240-6545, or email: gheller@wapa.gov; Tina Ramsey, Rates Manager, DSW, 602-605-2525, or email: dswpwrmrk@wapa.gov; or Sheila Cook, Rates Manager, RM, 970-685-9562, or e-mail: laptransadj@wapa.gov.

SUPPLEMENTARY INFORMATION: Western Area Power Administration (WAPA) published a *Federal Register* notice (Proposed FRN) on January 19, 2024 (89 FR 3651), proposing to extend the existing formula rates under Rate Schedule WC-8. The Proposed FRN initiated a 14-day public consultation and comment period.

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 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 extension is issued under Redelegation Order No. S3-DEL-WAPA1-2023 and Department of Energy rate extension procedures set forth in 10 CFR part 903.¹

Following review of the Regions' proposal, Rate Order No. WAPA-215 is hereby confirmed, approved, and placed into effect on an interim basis. This extends, without adjustment, the existing Rate Schedule WC-8 through September 30, 2026. WAPA will submit Rate Order No. WAPA-215 and the extended rate schedule to FERC for confirmation and approval on a final basis.

¹ 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)
Extension for the) Rate Order No. WAPA-215
Central Arizona Project, Colorado River Storage)
Project, Loveland Area Projects, Pacific Northwest-)
Pacific Southwest Intertie Project, Parker-Davis)
Project Transmission Service Formula Rates)

ORDER CONFIRMING, APPROVING, AND PLACING THE FORMULA RATES
FOR CENTRAL ARIZONA PROJECT, COLORADO RIVER STORAGE PROJECT,
LOVELAND AREA PROJECTS, PACIFIC NORTHWEST-PACIFIC SOUTHWEST
INTERTIE PROJECT, AND PARKER-DAVIS PROJECT TRANSMISSION SERVICE
FOR USE UNDER THE WESTCONNECT POINT-TO-POINT REGIONAL
TRANSMISSION SERVICE PARTICIPATION AGREEMENT INTO EFFECT ON AN
INTERIM BASIS

The formula rates in Rate Order No. WAPA-215 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

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.

place such rates into effect on an interim basis to WAPA’s Administrator. This extension is issued under Redelelegation Order No. S3-DEL-WAPA1-2023 and DOE rate extension procedures set forth in 10 CFR part 903.²

BACKGROUND

On December 15, 2014, FERC approved and confirmed Rate Schedule WC-8, under Rate Order No. WAPA-163, on a final basis for a 5-year period through May 31, 2019.³ On June 20, 2019, FERC approved and confirmed the extension of Rate Schedule WC-8, under Rate Order No. WAPA-187, on a final basis through May 31, 2024.⁴ This rate schedule applies to WestConnect regional on-peak and off-peak non-firm transmission service that uses one or more of the following WAPA transmission projects: Central Arizona Project, Colorado River Storage Project, Loveland Area Projects, Pacific Northwest-Pacific Southwest Intertie Project, and Parker-Davis Project. Details about the rate schedule and the formula rates are viewable on WAPA’s website at: www.wapa.gov/about-wapa/regions/dsw/power-marketing/westconnect. The rate continues the formula-based methodology that includes an annual update to the data in the rate formulas which provides adequate revenue to recover annual expenses, including interest expense, and repay capital investment within the allowable periods. This ensures repayment within the cost recovery criteria set forth in DOE Order RA 6120.2.

DISCUSSION

In accordance with 10 CFR 903.23(a), the Colorado River Storage Project Management Center (CRSP MC), Desert Southwest Region (DSW), and Rocky Mountain Region (RM) (collectively referred to herein as the “Regions”) published a notice in the *Federal Register* (Proposed FRN) on January 19, 2024, proposing to extend,

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

³ *Order Confirming and Approving Rate Schedule on a Final Basis*, FERC Docket No. EF14-8-000, 149 FERC ¶ 62,196 (2014).

⁴ *Order Confirming and Approving Rate Schedule on a Final Basis*, FERC Docket No. EF14-8-001, 167 FERC ¶ 62,188 (2019).

without adjustment, Rate Schedule WC-8 under Rate Order No. WAPA-215.⁵ The Regions determined it was not necessary to hold public information or public comment forums on the proposed formula rate extension, but provided a 14-day consultation and comment period to give the public an opportunity to comment on the proposed extension. During the 14-day consultation and comment period, which ended on February 2, 2024, the Regions received written comments from one entity.

Written comments were received from the following organization:

Colorado River Energy Distributors Association, Arizona.

Comments

The comments expressed have been paraphrased and/or combined, where appropriate, without compromising the meaning of the comments.

Comment: The commenter supports the proposed formula rate extension as described in the Proposed FRN. The commenter also requested removal of language referenced in the Proposed FRN which was “unnecessary and refers to potential future actions that are the subject of separate processes.”

Response: The Regions appreciate the support for this rate action. The Regions agree the Proposed FRN language refers to specific future events subject to separate processes and a more general reference to future market activity could have been used. The intent of including the language in the Proposed FRN was to provide context for pursuing an extension as opposed to a major rate action, along with the reasoning for the length of the extension period.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

Categorical exclusion determinations were previously issued for the underlying rates of the transmission projects included in the WestConnect PA under the following

⁵ 89 FR 3651 (2024).

categorical exclusion listed in appendix B to subpart D of 10 CFR part 1021: B4.3 (Electric power marketing rate changes).⁶ Those categorical exclusion determinations are also applicable to this rate action. Copies of the categorical exclusion determinations are available on WAPA websites. For CRSP MC, the website is: *www.wapa.gov/about-wapa/regions/crsp/about-crsp/environment* and the file is titled “SLCA/IP Rate Determination - WAPA-206 – (CX Determination 2024-2028).” For DSW, the website is: *www.wapa.gov/about-wapa/regions/dsw/environment*. The file titled, “Rate Order WAPA-209” is located within the “2023” folder. For RM, the website is: *www.wapa.gov/about-wapa/regions/rm/rm-environment/cx2016* and the file is titled “2016-077-Proposed-Formula-Rate-Adjustment-for-Transmission-Ancillary-Services-and-Sale-of-Surplus.”

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.

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-215, which extends the existing formula rates under Rate Schedule WC-8 through September 30, 2026. The rates will remain in effect on an interim basis until: (1) FERC confirms and

⁶ These determinations were made in compliance with the National Environmental Policy Act (NEPA) of 1969, as amended, 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).

approves of this extension on a final basis; (2) subsequent rates are confirmed and approved; or (3) such rates are superseded.

Signing Authority

This document of the Department of Energy was signed on April 1, 2024, 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 April 2, 2024.

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

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

**LOVELAND AREA PROJECTS
COLORADO RIVER STORAGE PROJECT
PACIFIC NORTHWEST-PACIFIC SOUTHWEST INTERTIE PROJECT
CENTRAL ARIZONA PROJECT
PARKER-DAVIS PROJECT**

**SCHEDULE OF RATES FOR USE UNDER WESTCONNECT REGIONAL
NON-FIRM TRANSMISSION SERVICE**
(Approved Under Rate Order No. WAPA-163)

Effective:

The first day of the first full billing period beginning on or after June 1, 2014, through May 31, 2019, unless WAPA withdraws from the WestConnect Point-to-Point Regional Transmission Service Participation Agreement, and posts notice of such withdrawal on the Open Access Same-Time Information System (OASIS), prior to May 31, 2019.

[Note: This rate schedule was extended by Rate Order No. WAPA-187 through May 31, 2024, and by Rate Order No. WAPA-215 through September 30, 2026.]

Applicable:

This schedule of rates applies to any WestConnect Regional, Non-Firm, Point-to-Point Transmission Service that uses a Western Area Power Administration Transmission Project (TP), i.e., Central Arizona Project, Colorado River Storage Project, Loveland Area Projects, Pacific Northwest-Pacific Southwest Intertie Project, and Parker-Davis Project.

Rate:

The transmission rates to be used in this formula rate calculation will be the applicable TP's in effect hourly, non-firm, point-to-point transmission rate as posted on the applicable TP's Website and on the OASIS.

Formula Rate Calculation:

On-peak, hourly, non-firm, point-to-point transmission rate:

TP's non-firm, point-to-point, "all hours" transmission rate
47.49 percent (the percentage of FERC-defined on-peak hours).

Off-peak, hourly, non-firm, point-to-point transmission rate:

TP's non-firm, point-to-point, "all hours" transmission rate
52.51 percent (the percentage of FERC-defined off-peak hours).

The converted rates resulting from using this formula will be posted on the applicable TP's Web site and on the OASIS and will be used for applicable WestConnect Regional Non-Firm Point-to-Point Transmission Service transactions only.

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