

**UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
ADMINISTRATOR, SOUTHWESTERN POWER ADMINISTRATION**

**In the matter of:**

<b>Southwestern Power Administration</b>	)	<b>Rate Order</b>
<b>Sam Rayburn Dam Rate Schedule</b>	)	<b>No. SWPA-84</b>

**ORDER CONFIRMING, APPROVING, AND PLACING THE SAM RAYBURN DAM  
RATE SCHEDULE IN EFFECT ON AN INTERIM BASIS  
( 8/26/2024 )**

Pursuant to Sections 301(b) and 302(a) of the Department of Energy Organization Act, 42 U.S.C. 7151(b) and 7152(a), the functions of the Secretary of the Interior and the Federal Power Commission under Section 5 of the Flood Control Act of 1944, 16 U.S.C. 825s, relating to the Southwestern Power Administration (Southwestern), were transferred to, and vested in the Secretary of Energy. 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 Southwestern’s 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-SWPA1-2023, effective April 10, 2023, the Under Secretary for Infrastructure redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Southwestern Administrator.

## ***BACKGROUND***

On December 17, 2015, in Rate Order No. SWPA-69, the Deputy Secretary of Energy placed into effect the current Sam Rayburn Dam rate schedule (SRD-15) on an interim basis for the period January 1, 2016, to September 30, 2019. FERC confirmed and approved SRD-15 on a final basis on June 30, 2016, for a period ending September 30, 2019. On September 22, 2019, in Rate Order No. SWPA-75, the Assistant Secretary for Electricity extended SRD-15 for two years, for the period of October 1, 2019, through September 30, 2021. On August 30, 2021, in Rate Order No. SWPA-78, the Administrator, Southwestern, extended SRD-15 for two years, for the period of October 1, 2021, through September 30, 2023. On September 20, 2023, in Rate Order No. SWPA-82, the Administrator, Southwestern, extended SRD-15 for one year, for the period of October 1, 2023, through September 30, 2024, and FERC issued an ordering accepting the extension on January 18, 2024.

## ***DISCUSSION***

Southwestern's current rate schedule for the Sam Rayburn Dam isolated rate system, SRD-15, is based on the 2015 Power Repayment Studies (PRS). Each subsequent annual PRS through 2022 indicated the need for a revenue adjustment within a plus or minus five percent range of the current revenue estimate. It is Southwestern's practice for the Administrator to defer, on a case-by-case basis, revenue adjustments for isolated rate systems that are within plus or minus five percent of the revenue estimated from the current rate schedule. Therefore, the Administrator deferred revenue adjustments annually for Sam Rayburn Dam through 2022. Southwestern prepared a 2023 Current PRS which indicated that the existing power rate would not satisfy present financial criteria regarding repayment of investment within a 50-year period due to increased operations and maintenance expenses as well as increase cost of replacements in

the hydroelectric generating facilities. The 2023 Revised PRS indicates the need for an increase in annual revenues of \$962,796 (21.1 percent) is necessary, to accomplish repayment in the required number of years. Accordingly, Southwestern has prepared a new proposed rate schedule (SRD-23) based on the additional revenue requirement to ensure repayment.

Southwestern conducted the rate adjustment proceeding in accordance with title 10, part 903, subpart A of the Code of Federal Regulations (10 CFR part 903), “Procedures for Public Participation in Power and Transmission Rate Adjustments and Extensions.” Opportunities for public review and comment during a 90-day period on the proposed Sam Rayburn Dam power rate were announced by a *Federal Register* notice published on December 5, 2023 (88 FR 84318), with written comments due March 4, 2024. A combined public information and comment forum was held virtually on January 17, 2024. Southwestern published the *Federal Register* notice, the proposed rate schedule, and the draft 2023 PRS on its website for customers and interested parties to review and comment upon during the public comment period.

Following the conclusion of the comment period on March 4, 2024, Southwestern finalized the Power Repayment Studies and Rate Schedule SRD-23 for the proposed annual rate of \$5,526,588 which is the lowest possible rate needed to satisfy the repayment criteria set forth within the provisions of U.S. Department of Energy (DOE) Order No. RA 6120.2. This rate represents an annual increase of 21.1 percent. The Administrator made the decision to approve the rate proposal for implementation.

Southwestern will continue to perform its Power Repayment Studies annually, and if the 2024 results should indicate the need for additional revenues, another rate adjustment proceeding will be conducted to implement the updated revenue requirements.

## ***COMMENTS AND RESPONSES***

Southwestern did not receive any written comments during the 90-day public review and comment period. Southwestern did receive oral comments from Mr. James Striedel of GDS Associates, representing Sam Rayburn Dam Electrical Cooperative, Inc., during Southwestern's January 17, 2024, public information and comment forum which are summarized below. The comments are also included verbatim as part of the transcript of the public comment forum which will be submitted to FERC along with other applicable documents for final confirmation and approval of Rate Schedule SRD-23.

Mr. Striedel was the only member of the public who attended the public comment forum. Mr. Striedel commended Southwestern for its diligence in managing costs and asked three questions. First, Mr. Striedel asked Southwestern to confirm that the power repayment study (PRS) estimate of U.S. Army Corps of Engineers (Corps) operations and maintenance costs includes an estimate of the reduction in cost for centralized dispatch of Sam Rayburn Dam. Southwestern confirmed this in the affirmative. Second, Mr. Striedel asked for confirmation that the PRS does not include costs for transformers that were gifted by customers to the Corps. Southwestern confirmed this in the affirmative. Finally, Mr. Striedel asked for confirmation that the PRS does not include transmission cost from the Blakely Mountain and DeGray projects to the system of Southwestern. Southwestern confirmed this in the affirmative.

## ***AVAILABILITY OF INFORMATION***

Information regarding the rate adjustment proceeding, including the Final 2023 PRS and Rate Proposal, for Rate Schedule SRD-23 is available for public review in the offices of Southwestern Power Administration, Williams Tower I, One West Third Street Suite 1500, Tulsa, Oklahoma 74103. Rate Schedule SRD-23 is available on Southwestern's website at

*www.energy.gov/swpa/rates-and-repayment.*

### ***CERTIFICATION OF RATES***

I have certified that the provisional rate under Rate Schedule SRD-23 is the lowest possible rate consistent with sound business principles. The rate was developed following administrative policies and applicable laws.

### ***RATEMAKING PROCEDURE REQUIREMENTS***

#### **Environmental Compliance**

Southwestern has determined that this action fits within the following categorical exclusions listed in appendix B to subpart D of 10 CFR 1021.410: 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. A copy of the categorical exclusion determination is available on Southwestern's website at *<https://www.energy.gov/swpa/southwestern-power-administration>*.

#### **Determination Under Executive Order 12866**

Southwestern 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**

Rate Schedule SRD-23 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 foregoing and pursuant to the authority delegated to me by the Secretary of Energy, I hereby confirm, approve and place in effect on an interim basis, effective October 1, 2024, Rate Schedule SRD-23, *Wholesale Rates for Hydro Power and Energy at Sam Rayburn Dam and Reservoir*. The rate schedule shall remain in effect on a temporary basis through September 30, 2027, or until the FERC confirms and approves the rate on a final basis, or until it is superseded by a subsequent rate.

**Signing Authority**

This document of the Department of Energy was signed on 8/26/2024, by Michael S. Wech, Administrator for Southwestern 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 DOE. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Springfield, Missouri, on 8/26/2024 .

**Michael S Wech** Digitally signed by  
Michael S Wech  
Date: 2024.08.26  
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Michael S. Wech  
Administrator  
Southwestern Power Administration  
U. S. Department of Energy

**UNITED STATES DEPARTMENT OF ENERGY  
SOUTHWESTERN POWER ADMINISTRATION  
RATE SCHEDULE SRD-23<sup>1</sup>  
WHOLESALE RATES FOR HYDRO POWER AND ENERGY  
AT SAM RAYBURN DAM AND RESERVOIR**

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<sup>1</sup> Supersedes Rate Schedule SRD-15

**Effective:**

During the period October 1, 2024, through September 30, 2027, in accordance with interim approval from Rate Order No. SWPA-84 issued by the Administrator on October 1, 2024, and pursuant to final approval by the Federal Energy Regulatory Commission.

**Applicable:**

To wholesale customers which have contractual rights from Southwestern Power Administration (Southwestern) to purchase the Hydro Power and Energy generated at the Sam Rayburn Dam and Reservoir.

**Character and Conditions of Service:**

Three-phase, alternating current, delivered at approximately 60 Hertz, at the nominal voltage, at the point of delivery, and in such quantities as are specified by contract.



## **Wholesale Rates, Terms, and Conditions for Hydro Power and Energy**

This rate shall be applicable regardless of the quantity of Hydro Power and Energy available or delivered from the Sam Rayburn Dam and Reservoir; provided, however, that if an Uncontrollable Force prevents utilization of both of the project's power generating units for an entire billing period, and if during such billing period water releases were being made which otherwise would have been used to generate Hydro Power and Energy, then Southwestern shall, upon request by the customer(s), suspend billing for subsequent billing periods, until such time as at least one of the project's generating units is again available.

The term "Uncontrollable Force," as used herein, shall mean any force which is not within the control of the party affected, including, but not limited to, failure of water supply, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, riot, civil disturbance, labor disturbance, sabotage, war, acts of war, terrorist acts, or restraint by court of general jurisdiction, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid.

### **Hydro Power Rates, Terms, and Conditions**

Monthly Charge for the Period of October 1, 2024, through September 30, 2027

\$460,549 per month (\$5,526,588 per year) for Sam Rayburn Dam Hydro Power and Energy purchased from October 1, 2024, through September 30, 2027.