

Repayment of Emergency Purchase Power and Wheeling Costs
Administrator's Policy Statement
Western Area Power Administration

The Bush Administration's budget proposal for FY 2008 directs the Western Area Power Administration to move towards implementing a policy that recovers from ratepayers all future emergency Purchase Power and Wheeling (PPW) costs funded through the PMA Emergency Fund within one year from the time costs are incurred.

Western commits to implement this policy. As provided for in paragraph 10.b of DOE Order RA 6120.2, Western may meet the one year repayment requirement by taking action to increase rates, decrease costs, change contracts or any other viable means for meeting cost recovery criteria.

Western does not expect that there will be a need to use the Emergency Fund as a source of dollars for emergency PPW costs in the future. However, in the event that use of the Emergency Fund is warranted for such PPW costs, this policy statement will provide guidance on Western's repayment obligation. The scope of this policy statement will be limited to emergency PPW costs; use of the Emergency Fund for other purposes (such as repair of transmission towers damaged by weather) is not within the scope of this policy.

Western will post this policy on its external website after adoption.



Timothy J. Meeks
Administrator
March 15, 2007