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NEWS

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LPEA Makes Progress with FERC Order on Contract Termination Payment

DURANGO, Colo. – The Federal Energy Regulatory Commission (FERC) issued an order on Tri-State Generation and Transmission’s contract termination payment (CTP) tariff proceeding. Tri-State is La Plata Electric Association’s (LPEA) wholesale power provider with whom LPEA has a contract until 2050. FERC found that an adjusted version of the Modified Balance Sheet Approach (BSA) issued by the Administrative Law Judge (ALJ) in September 2022 is “just and reasonable and not unduly discriminatory or preferential, with additional clarifications and modifications.”

“We are very pleased with this latest step forward, towards more clarity from FERC that enables us to evaluate our options,” said LPEA CEO Jessica Matlock. “After several months of work, our initial impression of the ALJ’s decision is that our in-house CTP formula is in close alignment with FERC’s newly affirmed methodology.”

At the direction of LPEA’s Board of Directors, LPEA has been evaluating how to address the future needs of the membership. The CTP number would be the cost of a potential full departure from Tri-State.

“This is a win for LPEA, and we look forward to reviewing Tri-State's compliance filings in the next 30 days and into next year. We greatly appreciate the efforts of FERC, the ALJ, and FERC Trial Staff,” added Matlock.

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About LPEA

LPEA is a member-owned electric distribution cooperative serving La Plata, Archuleta, and segments of Hinsdale, Mineral, and San Juan counties. LPEA is the fifth largest cooperative of 22 in Colorado and aims to provide safe, reliable electricity at the lowest reasonable cost to more than 48,000 meters. For additional information, visit lpea.coop.