Welcome to the Western Area Power Administration Rates Customer Meeting

The meeting will begin at 1pm MST
We have logged on early for connectivity purposes
Please stand-by until the meeting begins

Please be sure to call into the conference bridge at:
720.962.7661
Conf. Code 31401

If you have connectivity issues, please contact Western's IT call center at:
720.962.7111

Introduction

- Welcome
- Introductions
- Purpose of Meeting
- Handout Materials

http://www.wapa.gov/crsp/ratescrsp/default.htm

Meeting Topics

1. Status of Repayment
2. Current SLCA/IP Firm Power Rate (SLIP-F9)
3. Revenue Requirements Comparison Table
4. SLCA/IP Rate
5. Next Steps

Status Of Repayment

(Tab 2)

SLCA/IP Status of Repayment
Power Investment Only
As of September 30, 2011

Project	Investment ($million)	Investment Repaid		
		Amount ($million)	Percent	Projected Payoff
CRSP	1,179.843	934.635	79.22%	2034
Collbran	16.237	16.237	100.0%	N/A
Dolores	38.129	6.158	16.15%	2046
Rio Grande	16.334	16.068	98.37%	2025
Seedskadee	8.849	8.849	100.0%	N/A

SLCA/IP Firm Power Rate

(Tab 3)

- Current Firm Power Rate (SLIP-F9)
  - Effective Oct. 1, 2009
  - Energy: 12.19 mills/kWh
  - Capacity: $5.18 kW/month
  - Composite Rate: 29.62 mills/kWh
- Expires September 30, 2013
- Cost Recovery Charge
  - 0.00 mills/kWh

Salt Lake City Area/Integrated Projects Energy Generated Percentages

Based on FY 2011 Data

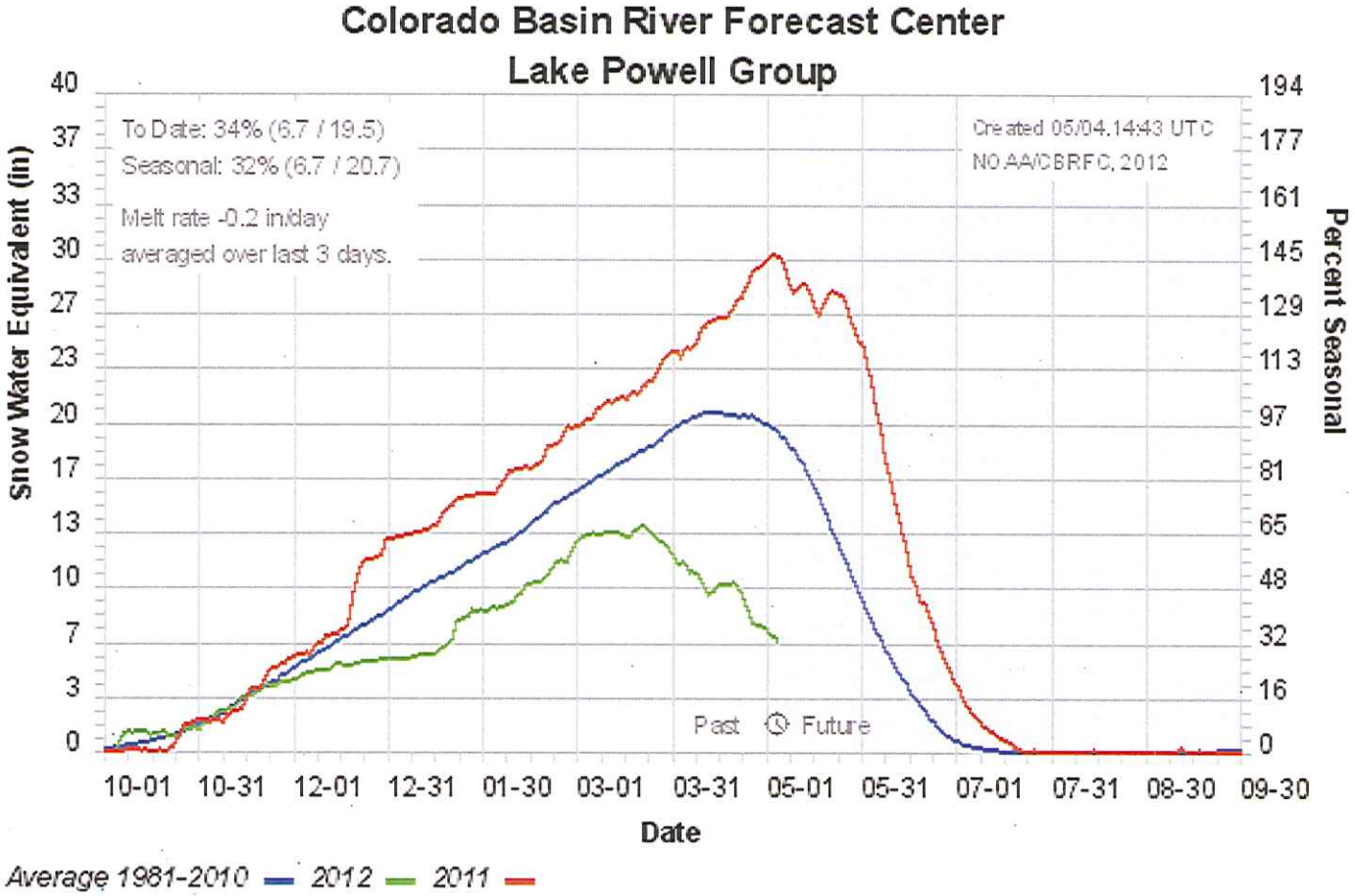
	% Energy Generated
CRSP	97.8
Other Integrated Projects	
Dolores	0.3
Seedskadee	0.7
Collbran	0.7
Rio Grande	0.5
SLCA/IP	100.0

History of SLIP Rates

	Effective Date (CY)	Capacity $/kW	Energy mills/kWh	Composite mills/kWh
	1993	3.54	8.40	18.70
	1995	3.83	8.90	20.17
	1998	3.44	8.10	17.57
	2002	4.04	9.50	20.72
	2005	4.43	10.43	25.28
Step 1	2008	4.70	11.06	26.80
Step 2	2009	5.18	12.19	29.62

Current Hydrology

(Tab 9)



COLORADO RIVER STORAGE PROJECT

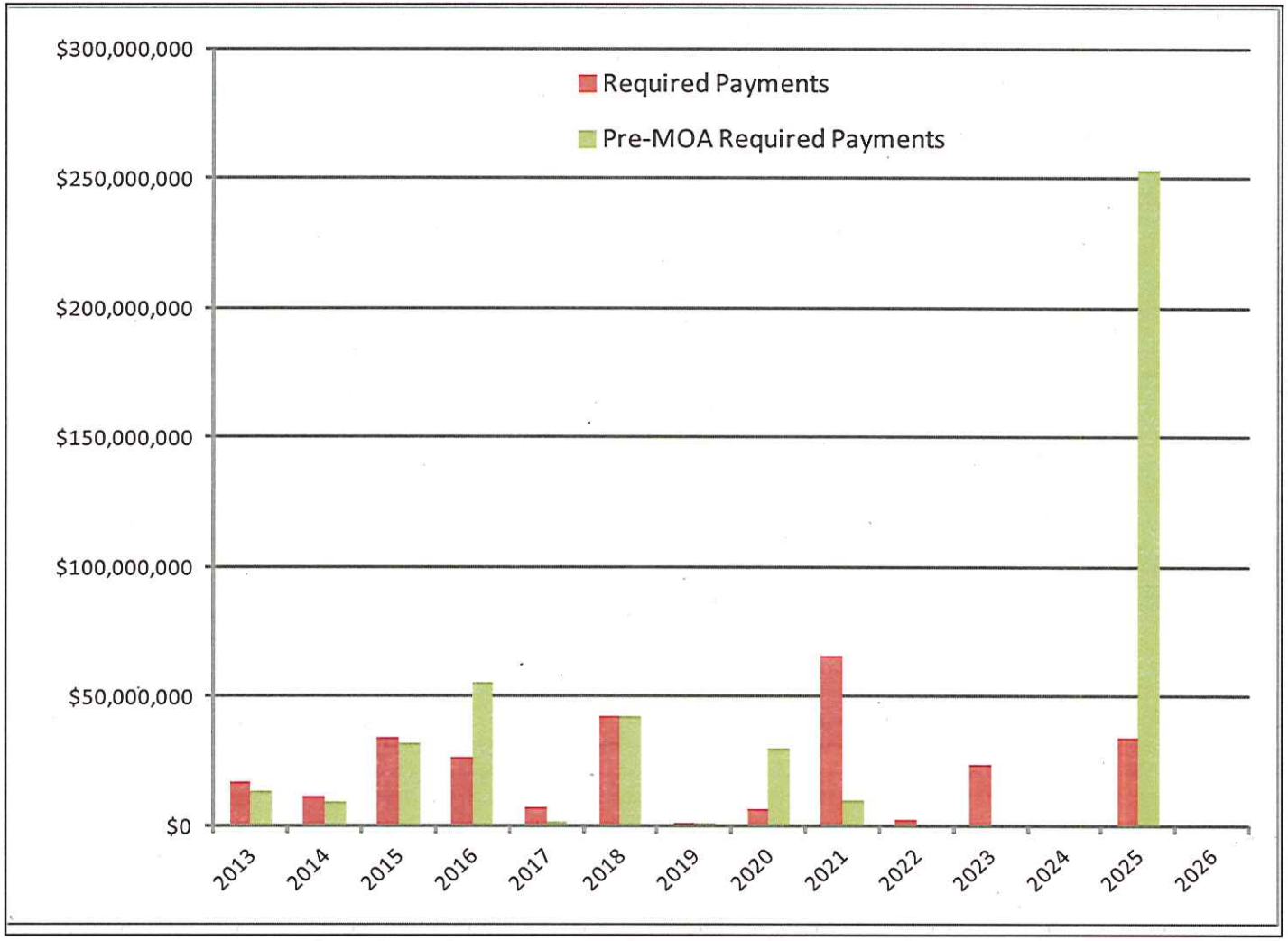
Aid to Participating Projects Irrigation Repayment Obligations & Apportioned Revenues Applied

Unit: $ 1,000

	Total without MOA				Total with MOA				Differences	
	Incremental		Cumulative		Incremental		Cumulative		Annual	Cumulative
year	Obligation	Available W/Appor	Obligation	Available W/Appor	Obligation	Available W/Appor	Obligation	Available W/Appor	Available W/Appor	Available W/Appor
2015	-	-	-	-	-	-	-	-		
2016	8,608	40,037	8,608	40,037	8,608	8,608	8,608	8,608	31,429	31,429
2017	4,386	-	12,994	40,037	4,386	4,386	12,994	12,994	(4,386)	27,043
2018	-	-	12,994	40,037	-	-	12,994	12,994	-	27,043
2019	-	-	12,994	40,037	-	-	12,994	12,994	-	27,043
2020	6,395	29,744	19,389	69,781	6,395	6,395	19,389	19,389	23,349	50,392
2021	13,620	-	33,009	69,781	13,620	13,620	33,009	33,009	(13,620)	36,772
2022	-	-	33,009	69,781	-	-	33,009	33,009	-	36,772
2023	23,666	69,430	56,675	139,212	23,666	23,666	56,675	56,675	45,764	82,537
2024	-	-	56,675	139,212	-	-	56,675	56,675	-	82,537
2025	101,208	401,305	157,883	540,516	101,208	101,208	157,883	157,883	300,097	382,633
2026	-	-	157,883	540,516	-	-	157,883	157,883	-	382,633
2027	-	-	157,883	540,516	-	-	157,883	157,883	-	382,633
2028	-	-	157,883	540,516	-	-	157,883	157,883	-	382,633
2029	17,955	-	175,838	540,516	17,955	80,471	175,838	238,354	(80,471)	302,162
2030	-	-	175,838	540,516	-	-	175,838	238,354	-	302,162
2031	-	-	175,838	540,516	-	-	175,838	238,354	-	302,162
2032	7,657	-	183,495	540,516	7,657	-	183,495	238,354	-	302,162
2033	-	-	183,495	540,516	-	-	183,495	238,354	-	302,162
2034	4,801	22,330	188,296	562,847	4,801	-	188,296	238,354	22,330	324,493
2035	23,688	-	211,984	562,847	23,688	146,376	211,984	384,730	(146,376)	178,117
2036	-	-	211,984	562,847	-	-	211,984	384,730	-	178,117
2037	-	-	211,984	562,847	-	-	211,984	384,730	-	178,117
2038	50,523	-	262,507	562,847	50,523	-	262,507	384,730	-	178,117
2039	-	-	262,507	562,847	-	-	262,507	384,730	-	178,117
2040	5,260	-	267,767	562,847	5,260	-	267,767	384,730	-	178,117
2041	-	-	267,767	562,847	-	-	267,767	384,730	-	178,117
2042	4,736	-	272,503	562,847	4,736	-	272,503	384,730	-	178,117
2043	-	-	272,503	562,847	-	-	272,503	384,730	-	178,117
2044	-	-	272,503	562,847	-	-	272,503	384,730	-	178,117
2045	101,945	-	374,448	562,847	101,945	138,252	374,448	522,982	(138,252)	39,864
2046	-	-	374,448	562,847	-	-	374,448	522,982	-	39,864
2047	-	-	374,448	562,847	-	-	374,448	522,982	-	39,864
2048	78,627	6,925	453,075	569,771	78,627	168,119	453,075	691,101	(161,194)	(121,330)
2049	23,313	49,276	476,388	619,047	23,313	49,276	476,388	740,377	-	(121,330)
2050	71,413	275,953	547,801	895,000	71,413	-	547,801	740,377	275,953	154,623
2051	-	-	547,801	895,000	-	-	547,801	740,377	-	154,623
2052	80,829	-	628,630	895,000	80,829	171,502	628,630	911,879	(171,502)	(16,879)
2053	-	-	628,630	895,000	-	-	628,630	911,879	-	(16,879)
2054	94,587	439,940	723,217	1,334,940	94,587	40,426	723,217	952,305	399,513	382,634
2055	14,188	65,991	737,405	1,400,930	14,188	65,991	737,405	1,018,296	-	382,634
2056	-	-	737,405	1,400,930	-	-	737,405	1,018,296	-	382,634
2057	34,526	54,991	771,931	1,455,921	34,526	54,991	771,931	1,073,287	-	382,634
2058	-	-	771,931	1,455,921	-	-	771,931	1,073,287	-	382,634
2059	-	-	771,931	1,455,921	-	-	771,931	1,073,287	-	382,634
2060	-	-	771,931	1,455,921	-	-	771,931	1,073,287	-	382,634
Total	771,931	1,455,921			771,931	1,073,287			382,634	382,634

Note: Boxed yellow amounts trigger apportionment. Boxed green amounts indicate original apportionment total. Boxed blue amounts indicate MOA apportionment total.

Pinch Point Comparison Graph



Annual Revenue Requirements Comparison Table
(Tab 6)

Item	Unit	WAPA 137 Step 2 Rate PRS 2010 Workplan	FY 2012 Preliminary 2014 Workplan	Change Amount	Change Percent
Rate Setting Period:					
Beginning year	FY	2010	2013		
Pinchpoint year	FY	2025	2021		
Number of rate setting years	Years	16	9		
Annual Revenue Requirements:					
Expenses					
Operation and Maintenance:					
Western	1,000	$40,514	$50,310	$9,796	24%
Reclamation	1,000	$30,092	$34,265	$4,173	14%
Total O&M	1,000	$70,606	$84,575	$13,969	20%
Purchased Power 1/	1,000	$5,163	$5,399	$236	5%
Transmission	1,000	$10,525	$9,096	($1,429)	-14%
Integrated Projects requirements	1,000	$7,286	$9,217	$1,931	27%
Interest	1,000	$3,693	$7,226	$3,533	96%
Other 2/	1,000	$2,984	$14,206	$11,222	376%
Total Expenses	1,000	$100,257	$129,719	$29,462	29%
Principal payments					
Deficits	1,000	$0	$0	$0	0%
Replacements	1,000	$28,652	$27,743	($909)	-3%
Original Project and Additions	1,000	$17,936	$18,375	$439	2%
Irrigation 3/	1,000	$38,744	$13,025	($25,719)	-66%
Total principal payments	1,000	$85,332	$59,143	($26,189)	-31%
Total Annual Revenue Requirements	1,000	$185,589	$188,862	($3,273)	2%
(Less Offsetting Annual Revenue:)					
Transmission (firm and non-firm)	1,000	$18,045	$19,363	$1,318	7%
Merchant Function 4/	1,000	$8,309	$11,038	$2,729)	33%
Other 5/	1,000	$7,687	$6,703	($984)	-13%
Total Offsetting Annual Revenue	1,000	$34,041	$37,104	$3,063	9%
Net Annual Revenue Requirements	1,000	**$151,548**	**$151,758**	**$210**	0%
Energy Sales 6/	MWH	**5,116,346**	**5,094,141**	**(16,978)**	-0.3%
Capacity Sales	kW	**1,434,946**	**1,415,778**	**(19,168)**	-1%
Composite Rate	mills/kWh	**29.62**	**29.79**	**0.15**	0.5%

Expenses

May 2012 Update

Annual Revenue Requirements:	Unit	WAPA 137 Step 2 Rate PRS 2010 Workplan	FY 2012 Preliminary 2014 Workplan	Change Amount	Change Percent
Expenses					
Operation and Maintenance:					
Western	1,000	$40,514	$50,310	$9,796	24%
Reclamation	1,000	$30,092	$34,265	$4,173	14%
Total O&M *(Tab 7)*	1,000	$70,606	$84,575	$13,969	20%
Purchased Power *(Tab 8)*	1,000	$5,163	$5,399	$236	5%
Transmission *(Tab 10)*	1,000	$10,525	$9,096	($1,429)	-14%
Integrated Projects Reqs. *(Tab 11)*	1,000	$7,286	$9,217	$1,931	27%
Interest *(See ES)*	1,000	$3,693	$7,226	$3,533	96%
Other *(Tab 12 & ES)*	1,000	$2,984	$14,206	$11,222	376%
Total Expenses	1,000	$100,257	$129,719	$29,462	29%

Power Repayment

May 2012 Update

		WAPA 137 Step 2 Rate PRS	FY 2012 Preliminary	*Change*	
	Unit	2010 Workplan	2014 Workplan	Amount	Percent
Principal Payments					
Deficits	1,000	$0	$0	$0	0%
Replacements	1,000	$28,652	$27,743	($909)	-3%
Original Project and Additions	1,000	$17,936	$18,375	$439	2%
Irrigation	1,000	$38,744	$13,025	($25,719)	-66%
Total Principal Payments *(ES)*	1,000	$85,332	$59,143	($26,189)	-31%

Offsetting Revenues

May 2012 Update

		WAPA 137 Step 2 Rate PRS	FY 2012 Preliminary	*Change*	
	Unit	2010 Workplan	2014 Workplan	Amount	Percent
(Less Offsetting Annual Revenue)					
Transmission (firm/non-firm) *(Tab 14)*	1,000	$18,045	$19,363	$1,318	7%
Merchant Function *(Tab 15)*	1,000	$8,309	$11,038	$2,729	33%
Other *(Tab 15)*	1,000	$7,687	$6,703	($984)	-13%
Total Offsetting Annual Revenue	1,000	$34,041	$37,104	$3,063	9%

Revenue Requirements

May 2012 Update

Item	Unit	WAPA 137 Step 2 Rate PRS 2010 Workplan	FY 2012 Preliminary 2014 Workplan	Change Amount	Change Percent
Total Expenses	1,000	$100, 257	$129,719	$29,462	29%
Total Principal Payments	1,000	$85,332	$59,143	($26,189)	-31%
Total Offsetting Annual Revenue	1,000	($34,041)	($37,104)	($3,063)	-9%
Net Annual Revenue Requirement	1,000	$151,548	$151,758	$210	0%
Energy Sales *(Tab 16)*	MWH	5,116,346	5,094,141	(16,978)	-0.3%
Capacity Sales	kW	1,434,946	1,415,778	(19,168)	-1%
Composite Rate	mills/kWh	29.62	29.79	0.15	0.5%

Next Steps

- Rate Extension Process in Spring 2013
  - Rate Schedule expires September 30th, 2013
  - 1-2 Year Rate Extension

Discussion

&

Comments

CRSP MC Rates Team

Rodney Bailey – Power Marketing Manager
801-524-4007
rbailey@wapa.gov

Thomas Hackett
801-524-5503
hackett@wapa.gov

Tamala Gheller
801-524-6388
gheller@wapa.gov

Jacob Streeper
801-524-3526
streeper@wapa.gov

http://www.wapa.gov/crsp/ratescrsp/default.htm