

EXPLANATIONS FOR WESTERN'S CHANGES

FOR

OPERATIONS, MAINTERNANCE, AND REPLACEMENTS

FROM

FY 2011 TO FY 2012

Facility Expenses: \$259,859

GWA – increased by \$77,038 due to FY 2011 estimated was understated by \$86,147. A comparison of the budgets after correction, show a decrease of \$9k.

SUPTM - \$3,478 increase

LINSM - \$175,208 increase is due to FY 2011 estimated being very conservative. Unexpected repairs had not been budgeted in the past. An additional \$150,000 for this is in FY 2012.

COMMM decreased \$(6,578)

SAFEM increased \$4,687

Phoenix Service Center – increased \$79,915 due to FY 2011 estimated was understated by \$68,971. A comparison of the budgets after correction, show an increase of \$11k.

SUBSM increased \$81,229 due to more intensive maintenance program needed to comply with NERC and WECC mandates.

System wide Expenses: \$180,702

BILLM increased \$36,636 due to current system is in need of replacement. Plus an additional \$30,000 was budgeted in FY 2012 as we move to a common billing/collecting system for Western. Additional \$19,000 is anticipated needed to be covered in FY 2011 that was not in the FY 2011 budget. Result of increase is \$22,268.

SOLDM increased \$83,581 due to decrease in number of trust customers and overtime for cross-regional training.

STUDM increased \$25,389

CAREM actually decreased \$(717).

MRKTM increased \$53,182

DEPM decreased \$(7,322)

RENTM increased \$4,321

RRADS: \$756,550

Relays on H-M Lines, decreased \$(240,000);

Basler (BE1-50BF) Relay Replacement at Mead increased \$75,000;

Radio Towers/Grounding (Red Mountain) decreased \$(30,000);

Redundant Hoover Dynamic Signal decreased \$(41,420);

H-M Transmission Line Erosion added/increased \$992,970 to repair line erosion. Lines 6, 7, and 8 lines.

**FY 2012
Ten Year Plan
Boulder Canyon Project**

**Western Area Power Administration
Introduction and Highlights**

Significant Activities for FY2011 and FY2012 are as follows:

- 1) The Basler breaker failure relay replacement program began in FY2008, and provides for the replacement of 18 faulty Basler relays. Two breaker failure relays were replaced in 2008. Eight relays were programmed for replacement in FY2009, but were deferred, in order to partially offset the cost of jumper hardware repairs on Hoover-Mead #6 and Hoover-Mead #8. Two breaker relays were replaced in FY2010, two are scheduled for FY2011, 6 are scheduled for FY2012 and the final six are scheduled for FY2013.
- 2) Replacement of the Hoover-Mead line relays continues in FY2011. This program is scheduled for FY2006 through FY2012. The upgraded relays will replace existing relays with microprocessor-based devices, having communication and fault-locating capabilities. Western completed the relay replacements on Hoover-Mead Line #3 in FY2010. The next relay replacements, involving Hoover-Mead Line #7, will take place in April, 2011. This schedule coincides with Reclamation's planned outages. In November 2011, the final replacement, Hoover-Mead Line #4, will take place. Because the outage is scheduled for November, Western will need to do design and procure the relays in FY2011. To date, Western has completed relay replacements for Hoover-Mead Line #2, #3, #5, #6 and #8.
- 3) Completion of the Redundant Hoover Dynamic Signal project in CY2011.
- 4) Repairs of Transmission Line Erosion, at three locations along the HVR-MED 6, 7 and 8 lines are required. The erosion is undercutting the foundations of the structures and, if not corrected, could cause the structure to fail. Design and remediation needs to start as soon as

possible. We propose to install sheet pile bulkheads (gabions), install stone rip rap for scour protection, fill voids around the structures and restore access for maintenance vehicles.

- 5) A new agreement on the Maintenance, Operation and Ownership of Equipment on Powerhouse Roof is being drafted. The changes will provide further separation of Transmission and Generation responsibilities for NERC. These changes will necessitate a transfer of assets to Western and requires capital funding to change the controls to Western. This change was requested by the Bureau of Reclamation and will require approximately \$140,000 to implement. However, this transfer will not impact customer funding. Once transferred, the O&M budget increase for Western should be offset by a decrease in Bureau of Reclamation's budget.

The following notes apply to the WAPA financial data for FY2011-2021:

- 1) The FY2013-2021 O&M data do not reflect actual budgets for DSW; these figures are auto-indexed off of the FY2012 budget. Each O&M Budget Activity is escalated 3 percent per-FY, except Multiproject Costs, Depreciation and Power Billing/Collecting expenses. Multiproject Costs are taken from the amortization tables, which are included in the Multiproject Costs section of the Ten Year Plan. Depreciation is carried as a constant estimate over time. Power Filling/Collecting expenses, have been adjusted to remove the Power Billing System implementation costs (shown in FY2012) from the calculation.
- 2) Our FY2012 RRADs program has been revised, as follows:
 - a. Relay Replacements on Hoover-Mead Lines – is now \$100,000, versus \$220,000 previously. The relays will be procured in FY11, only installation expenses will be incurred in FY2012. (-\$120,000)
 - b. Hoover-Mead Transmission Line Erosion has been added, for \$992,970. Western identified three different locations along HVR-MED 6, 7 and 8 lines, where transmission line erosion repair has occurred. The erosion is undercutting the foundations of the structures and, if not corrected, could cause the structure to fail. Design and remediation needs to start as soon as possible. We propose to install sheet pile bulkheads (gabions), install stone rip rap for scour protection, fill voids around the structures and restore access for maintenance vehicles.