

April 24, 2003

To All Central Valley Project (CVP) Preference Customers:

Mid-Year Adjustment to the Fiscal Year (FY) 2003 Restoration Fund Payment Allocated to Power

On April 11, 2002, Western Area Power Administration (Western) received written notice (enclosed) from the U.S. Bureau of Reclamation (Reclamation) that there would be no Mid-Year Adjustment to the FY 2003 Restoration Fund Payment allocated to the power customers. As explained in Reclamation's letter, the projections used to estimate the original amount of \$16,270,581 when compared to projected water deliveries and collections to date indicate that no mid-year adjustment is necessary. Consequently, for the remainder of the year, *the resulting multipliers for April 2003 through August 2003 will remain at \$.63 per kilowatt-month for capacity and 1.10 mills per kilowatt-hour for energy.*

FY 2004 Estimated Restoration Fund Payment for the Power Contractors

As stated in the enclosed letter, Reclamation has also estimated the FY 2004 Total Restoration Payment allocated to the power contractors will be approximately \$6 million. As always, once Western receives official notification from Reclamation in July/August 2003, Western will calculate the new capacity and energy multipliers for FY 2004 and notify all customers.

We thank you for your continued cooperation. Should you have any questions regarding any of the information in this letter, please call Melinda Grow at (916) 353-4443.

Sincerely,

Debbie Dietz
Rates Manager

Enclosures

cc: Mr. Les Ross (MP-3600)
U.S. Bureau of Reclamation
2800 Cottage Way
Sacramento, CA 95825

Mr. Michael R. Finnegan (MP-3000)
U.S. Bureau of Reclamation
2800 Cottage Way
Sacramento, CA 95825



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825-1898

IN REPLY
REFER TO:
MP-3600
WTR-4.00

APR 11 2003

Code	Initial	Date
6000	LB	
6100		
6200		
6400		
8000		



Mr. Thomas Boyko
Power Marketing Manager
Sacramento Area Office
Western Area Power Administration
114 Parkshore Drive
Sacramento, California 95630-4710

Subject: Mid-Year Adjustment to the Allocation of the Fiscal Year 2003
(FY03) Total Restoration Payments, Central Valley Project
Improvement Act, Central Valley Project

Dear Mr. Boyko:

This letter is to notify Western Area Power Administration (Western) that there will be no mid-year adjustment to the FY03 Total Restoration Payments allocation, including that portion assigned to the Central Valley Project (CVP) power contractors, pursuant to the Central Valley Project Improvement Act, Title XXXIV of Public Law 102-575. Consistent with Reclamation's hydrologic projections for the CVP, and continuing the Maximum Restoration Payment Policy, that portion of the Total Restoration Payments allocated to power contractors for FY03 will remain at the original amount of \$16,270,581.

Any FY03 Total Restoration overpayments by the power contractors will be applied against the Fiscal Year 2004 (FY04) power contractors' allocation. At this time, the FY04 Total Restoration Payments allocation to power contractors is projected to be approximately \$6 million. In July 2003, Western will receive official notification of the FY04 Total Restoration Payments allocation to power contractors.

Please contact Mr. Les Ross at (916)978-5386 or TDD:978-5608 should you require additional information regarding the above calculations.

Sincerely,

Michael R. Finnegan
Michael R. Finnegan
Regional Business Manager

Enclosures (2)

FY 2003 Actual and Projected Restoration Payments
FY 2003 Projected Restoration Payments (3-9/03) - Water

DEL_03.WK4(C)
03/24/03

FY 2003 PROJECTED RESTORATION PAYMENTS (3-9/03) - WATER

Delivery Month	%	Average Delivery Month
		6 August (40%)
		8 September
		4 October
		2 November
		2 December
1/03	3	3 January
2/03	5	5 February
3/03	5	5 March
4/03	8	8 April
5/03	10	10 May
6/03	17	17 June
7/03	19	19 July
8/03	11	11 August (60%)
	78%	100%

	a-f	rate/a-f	\$	\$
				3/03-9/03
Irr Deliveries	2,392,162	7.69	18,395,726	78%
M&I Deliveries	352,678	15.38	5,424,188	4,230,866
Projected 3-9/03 Rest Pmts from Water				18,579,532

DEL_03.WK4(C)
03/24/03

FY 2003 ACTUAL & PROJECTED RESTORATION PAYMENTS

	1st 5 months actual 10/01/02 thru 02/28/03	Next 7 months projected 03/01/03 thru 09/30/03	12 months 10/01/02 thru 09/30/03
Restoration Payments - Water	4,593,440	18,579,532	23,172,972
Restoration Payments - Power	<u>9,489,420</u>	<u>6,915,608</u>	<u>16,405,028</u>
Total	14,082,860	25,495,140	39,578,000
FY 2003 Total Restoration Payments Budgeted	39,578,000		
FY 2003 Restoration Payments Projected - Water	<u>23,172,972</u>		
Total Needed from Power as of 03/01/03	16,405,028		
Original FY2003 Power Allocation	<u>16,270,581</u>		
Difference	134,447		

The difference from the initial Restoration Payment allocation to Power is less than \$500,000. No mid-year adjustment needed.