



Department of Energy
Western Area Power Administration
Sierra Nevada Customer Service Region
114 Parkshore Drive
Folsom, California 95630-4710

APR 18 2012

To Central Valley Project Preference Customers:

On April 10, 2012, the Bureau of Reclamation (Reclamation) revised the Fiscal Year (FY) 2012 Restoration Fund (RF) estimated power obligation from \$22,555,408 to \$25,373,743, which is an increase of \$2,818,335. Reclamation's letter is enclosed for your information.

Reclamation confirmed that the FY 2011 actual water and power RF receipts exceeded the statutory maximum by \$5,452,040. The FY 2011 overpayment, combined with \$13,157,321 in billings to date, requires that Western bill \$6,764,381 for the remaining 5-month billing period.

As a reminder, adjustments due to hourly exchange participation will be reflected beginning in July. For those customers who accumulate credits larger than their charge, the credits will be carried over to the next billing period(s) until credits are eliminated.

We invited Reclamation to attend Western's preference power customer meeting on May 24, 2012, to answer questions on methodologies or other calculations, and we are awaiting a response. In the meantime, billing questions may be addressed to Ms. Padmini Palwe at (916) 353-4555 or email at palwe@wapa.gov.

Sincerely,

ORIGINAL SIGNED BY

Regina Rieger
Rates Manager

Enclosure

cc:

Ms. Brenda Bryant
Bureau of Reclamation
2800 Cottage Way
Sacramento, CA 95825

Ms. Gail Trujillo-Bixby
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, CA 95825-1898

IN REPLY REFER TO:
MP-3600
WTR-4.00

APR 10 2012

Ms. Sonja A. Anderson
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 2012 Total Restoration Payments, Central Valley Project Improvement Act, Central Valley Project

Dear Ms. Anderson:

This letter notifies Western Area Power Administration (Western) of the mid-year adjustment to the fiscal year 2012 restoration payment allocation, including that portion assigned to the Central Valley Project (CVP) power contractors, associated with the Central Valley Project Improvement Act, Title XXXIV of Public Law 102-575. Consistent with the Bureau of Reclamation's hydrologic projections for the CVP and continuing the Maximum Restoration Payment Policy, the power contractor's 2012 obligation has been revised. The power contractor's obligation is estimated at \$25,373,743, an increase of \$2,818,335 from the original power obligation of \$22,555,408.

The revised allocation is based on factors delineated herein: 1) Reclamation's February CVP water allocation, 2) actual receipts for the first 6 months of fiscal year 2012, and 3) actual fiscal year 2012 limiting collection amounts.

Any fiscal year 2012 restoration overpayments collected above the allocation will be applied against the fiscal year 2013 power contractors' obligation. In August 2012, Western will receive official notification of the fiscal year 2013 restoration payment allocation to power contractors.

Please contact Ms. Gail Trujillo-Bixby at (916) 978-5263 or gtrujillobixby@usbr.gov should you require additional information regarding the above calculations.

Sincerely,

Brenda Bryant
Financial Manager

Enclosure

FY 2012 ACTUAL & PROJECTED RESTORATION PAYMENTS

	1st - 6 months actual receipts (10/01/11 thru 3/31/2012)	2nd - 6 months projected (04/01/12 thru 9/30/2012)	12 months total (10/01/11 thru 9/30/2012)
Restoration Payments - Water	14,737,856	12,655,401	27,393,257
Restoration Payments - Power	16,448,310	8,925,433	25,373,743
Total	31,186,166	21,580,834	52,767,000
FY 2012 Total Restoration Payments Budgeted	52,767,000		
FY 2012 Restoration Payments Projected - Water	27,393,257		
Total Needed from Power as of 4/5/2012	25,373,743		
Original FY 2012 Power Allocation	22,555,408		
Difference	2,818,335		

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