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Western Area Power Administration

Powering the energy frontier



WAPA makes return to Treasury, lowers unobligated balances

We recently made our Fiscal Year 2017 return to the U.S. Treasury on time and in full. [The total return was \\$378 million for FY 2017, which includes \\$338 million returned to the Reclamation Fund.](#) WAPA's annual returns to Treasury demonstrate our commitment to sound fiscal management, which benefits you and the U.S. taxpayers at large. WAPA has returned \$1.65 billion over the past five years.

In addition to the Treasury return, WAPA lowered its unobligated balances including the revolving fund. You may recall in recent months, WAPA's and other agencies' unobligated balances were closely examined by the Government Accountability Office. WAPA's balances became a focus in several media reports.

In FY 2017, the unobligated balance was lowered from \$767 million to \$708 million.

WAPA committed to finalizing and managing its unobligated balances strategy with both you, our customer, and the GAO, to help meet our core mission requirements. We also made progress executing our reserve strategy, which includes increasing purchase power and wheeling and reducing annual and capital balances.

As you recall, these unobligated balances are key to successfully managing WAPA's multi-year, multi-million-dollar projects. Unobligated balances are neither the result of increased appropriations nor increased rates. They occur from collected receipts and alternative financing that was not executed during the year.

Our strategy to manage the balances aligns with legislative mandates to secure customer funding and control funds for annual operations and maintenance, capital construction and purchase power and wheeling.

- Annual O&M allows WAPA to sustain operations during emergencies, continuing resolutions or lapses in appropriations.
- Capital funding allows funding in advance of starting capital construction projects and provides flexibility with schedule and priority changes.
- PPW improves both WAPA and customer cash management while minimizing energy rate spikes during a drought.

Read more about [WAPA's unobligated balances strategy.](#)

As trusted stewards, we take our fiduciary responsibility seriously and manage funding in alignment with our projects to ensure we continue delivering on our promise to you to provide reliable, low-cost power.

Please, reach out to one of us directly if you have any comments, concerns or questions.

Sincerely,

Mark A. Gabriel | Administrator and Chief Executive Officer

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