

Boulder Canyon Project



Fiscal Year 2023

Proposed Base Charge and Rates



BUREAU OF
RECLAMATION



Western
Area Power
Administration

3/14/2022

**Boulder Canyon Project
Summary**

(in thousands)			
Description	FY 2021 Actuals	Revised FY 2022 Budget	Proposed FY 2023 Base Charge
Reclamation			
Operations	\$ 6,990	\$ 9,344	\$ 8,321
Maintenance	16,463	18,523	19,542
A&GE	16,457	27,390	23,874
Extraordinary Maintenance	3,159	13,930	8,350
O&M	43,069	69,187	60,087
Replacements	4,661	8,821	9,648
OM&R	47,729	78,007	69,734
Post Retirement Benefits (PRB)	2,146	1,992	2,063
OM&R w/PRB	49,875	79,999	71,797
WAPA			
Facility Expenses	1,255	1,975	1,632
Systemwide Expenses	6,163	6,461	5,961
O&M	7,419	8,436	7,593
Replacements	320	450	830
OM&R	7,739	8,886	8,423
Post Retirement Benefits (PRB)	355	248	272
OM&R w/PRB	8,094	9,134	8,695
Total O&M	53,308	80,312	70,844
Total OM&R	57,969	89,133	80,492
Other Expense			
Visitor Services	6,646	12,128	11,572
Payments to States	600	600	600
Principal Payment - Flood Control	591	609	627
Interest - Flood Control	372	354	350
Interest - CME & Warehouse	31	29	30
Total Other Expense	8,241	13,720	13,179
Total Expense	66,210	102,853	93,671
Prior Year Carryover	21,555	17,437	2,841
Other Revenue			
Visitor Services - Reclamation	3,776	19,000	19,000
Ancillary Services - WAPA	1,543	1,351	1,419
Other Revenue	5,319	20,351	20,419
Water Sales Revenue	685	550	550
Base Charge	\$ 38,651	\$ 64,515	\$ 69,862

Boulder Canyon Project
FY 2021 Base Charge and FY 2021 Actuals

Description	FY 2021 Base Charge	FY 2021 Actuals	Change
Reclamation			
Operations	\$ 7,877,000	\$ 6,989,695	\$ (887,305)
Maintenance	\$ 18,520,000	\$ 16,463,109	(2,056,891)
Administrative & General (A&GE)	\$ 24,143,000	\$ 16,456,762	(7,686,238)
Extraordinary Maintenance	\$ 10,504,500	\$ 3,158,975	(7,345,525)
O&M	61,044,500	43,068,541	(17,975,959)
Replacements	6,036,000	4,660,679	(1,375,321)
OM&R	67,080,500	47,729,220	(19,351,280)
Post Retirement Benefits (PRB)	1,947,257	2,145,524	198,267
OM&R w/PRB	69,027,757	49,874,744	(19,153,013)
WAPA			
Facility Expenses	2,268,969	1,255,412	(1,013,557)
Systemwide Expenses	5,646,320	6,163,209	516,889
O&M	7,915,289	7,418,621	(496,668)
Replacements	202,584	320,266	117,682
OM&R	8,117,873	7,738,887	(378,986)
Post Retirement Benefits (PRB)	254,455	355,232	100,777
OM&R w/PRB	8,372,328	8,094,119	(278,209)
Total O&M w/PRB	71,364,085	53,308,184	(18,055,901)
Total OM&R w/PRB	77,400,085	57,968,863	(19,431,222)
Other Expense			
Visitor Services - Reclamation	9,570,000	6,646,006	(2,923,994)
Payments to States - Reclamation	600,000	600,000	-
Principal Payment - Flood Control	591,433	591,433	-
Interest on Existing Debt - Flood Control	386,115	372,456	(13,660)
Interest - CME & Warehouse	28,441	31,350	2,909
Other Expense	11,175,989	8,241,245	(2,934,745)
Total Expense	88,576,074	66,210,108	(22,365,967)
Prior Year Carryover	4,306,534	21,554,983	17,248,449
Non-Power Revenues			
Visitor Services	17,000,000	3,775,553	(13,224,447)
Ancillary Services	1,276,078	1,543,360	267,282
Total Non-Power Revenues	18,276,078	5,318,913	(12,957,165)
Water Sales Revenue	550,000	685,130	135,130
Base Charge	\$ 65,443,462	\$ 38,651,082	\$ (26,792,381)
Cash Available			
Less Change in UDO - Reclamation	-	26,792,381	
Less Change in UDO - WAPA	-	8,885,159	
Less Change in Accts. Rec. - Reclamation	-	(21,279)	
Less Change in Accts. Rec. - WAPA	-	178,200	
Less Change in Accts. Rec. - WAPA	-	312,952	
FY 2021 Carryover		\$ 17,437,349	

Reclamation:

Reclamations decreases in **Operations, Maintenance, Administrative & General (A&GE), Extraordinary Maintenance, Replacements,** and **Visitor Services** is due to lower than anticipated costs due to the Covid-19 pandemic. **Visitor Services** decrease in revenue is also due to the closure of the Visitor Center due to the Covid-19 pandemic.

WAPA:

WAPA's **O&M** decreased due to lower than anticipated costs due to the Covid-19 restrictions. **Replacements** increased due to projects from FY 2020 completed in FY 2021.

**Boulder Canyon Project
FY 2022 Base Charge and Revised FY 2022 Budget**

Description	FY 2022 Base Charge	Adjustments (MYPF)	Revised FY 2022 Budget	Change
<u>Reclamation</u>				
Operations	\$ 8,023,000	\$ 1,320,904	\$ 9,343,904	\$ 1,320,904
Maintenance	17,594,500	928,022	18,522,522	928,022
Administrative & General (A&GE)	22,883,000	4,507,156	27,390,156	4,507,156
Extraordinary Maintenance	8,160,000	5,770,175	13,930,175	5,770,175
O&M	56,660,500	12,526,257	69,186,757	12,526,257
Replacements	10,436,500	(1,615,941)	8,820,559	(1,615,941)
OM&R	67,097,000	10,910,316	78,007,316	10,910,316
Post Retirement Benefits (PRB)	1,991,582	-	1,991,582	-
OM&R w/PRB	69,088,582	10,910,316	79,998,898	10,910,316
<u>WAPA</u>				
Facility Expenses	1,974,548	-	1,974,548	-
Systemwide Expenses	6,461,166	-	6,461,166	-
O&M	8,435,714	-	8,435,714	-
Replacements	450,000	-	450,000	-
OM&R	8,885,714	-	8,885,714	-
Post Retirement Benefits (PRB)	248,201	-	248,201	-
OM&R w/PRB	9,133,915	-	9,133,915	-
Total O&M w/PRB	67,785,997	12,526,257	80,312,254	12,526,257
Total OM&R w/PRB	78,222,497	10,910,316	89,132,813	10,910,316
<u>Other Expense</u>				
Visitor Services - Reclamation	11,082,000	1,046,113	12,128,113	1,046,113
Payments to States - Reclamation	600,000	-	600,000	-
Principal Payment - Flood Control	609,176	-	609,176	-
Interest on Existing Debt - Flood Control	368,372	-	353,953	(14,420)
Interest - CME & Warehouse	29,089	-	29,089	-
Subtotal Other Annual Expense	12,688,637	1,046,113	13,720,330	1,031,693
Total Expense	90,911,134	11,956,429	102,853,143	11,942,009
Prior Year Carryover	2,654,667	-	17,437,349	14,782,682
<u>Non-Power Revenues</u>				
Visitor Services	19,000,000	-	19,000,000	-
Ancillary Services	1,350,689	-	1,350,689	-
Total Non-Power Revenues	20,350,689	-	20,350,689	-
Water Sales Revenue	550,000	-	550,000	-
Base Charge	\$ 67,355,778	-	\$ 64,515,106	\$ (2,840,672)
FY 2022 Carryover	-	-	\$ 2,840,672	-

Reclamation:

Reclamation's increases in **Operations, Maintenance, Administrative & General (A&GE), Extraordinary Maintenance** and **Visitor Services** are due to the carryover of FY 2021 unobligated funds, (Multi-year Project Funds) needed to complete work in FY 2022.

WAPA:

No Changes to WAPA's budget for FY 2022

Boulder Canyon Project
FY 2022 Base Charge and Proposed FY 2023 Base Charge

Description	Proposed		Change
	FY 2022 Base Charge	FY 2023 Base Charge	
Reclamation			
Operations	\$ 8,023,000	\$ 8,321,000	\$ 298,000
Maintenance	17,594,500	19,541,500	1,947,000
Administrative & General (A&GE)	22,883,000	23,874,000	991,000
Extraordinary Maintenance	8,160,000	8,350,000	190,000
O&M	56,660,500	60,086,500	3,426,000
Replacements	10,436,500	9,647,500	(789,000)
OM&R	67,097,000	69,734,000	2,637,000
Post Retirement Benefits (PRB)	1,991,582	2,062,579	70,997
OM&R w/PRB	69,088,582	71,796,579	2,707,997
WAPA			
Facility Expenses	1,974,548	1,632,107	(342,441)
Systemwide Expenses	6,461,166	5,961,180	(499,986)
O&M	8,435,714	7,593,287	(842,427)
Replacements	450,000	830,000	380,000
OM&R	8,885,714	8,423,287	(462,427)
Post Retirement Benefits (PRB)	248,201	271,685	23,484
OM&R w/PRB	9,133,915	8,694,972	(438,943)
Total O&M w/PRB	67,785,997	70,844,051	3,034,570
Total OM&R w/PRB	78,222,497	80,491,551	2,269,054
Other Expense			
Visitor Services - Reclamation	11,082,000	11,572,000	490,000
Payments to States - Reclamation	600,000	600,000	-
Principal Payment - Flood Control	609,176	627,451	18,275
Interest on Existing Debt - Flood Control	368,372	350,097	(18,275)
Interest - CME & Warehouse	29,089	29,875	786
Other Expense	12,688,637	13,179,423	490,786
Total Expense	90,911,134	93,670,974	2,759,840
Prior Year Carryover	2,654,667	2,840,672	186,005
Non-Power Revenues			
Visitor Services	19,000,000	19,000,000	-
Ancillary Services	1,350,689	1,418,742	68,053
Total Non-Power Revenues	20,350,689	20,418,742	68,053
Water Sales Revenue	550,000	550,000	-
Base Charge	\$ 67,355,778	\$ 69,861,560	\$ 2,505,782

* Details on next page

Boulder Canyon Project
FY 2022 Base Charge and Proposed FY 2023 Base Charge

Reclamation:

Increase in **Operations, Maintenance** and **Visitors Services** is primarily attributed to increased Region/Denver/Other support and Water Scheduling. Increase to overhead rate for salaries; rate increased from 27.1% to 29.8% due to an increase in the Bureau-wide Indirect Cost Rate (BIC). The increase is attributed to a reorganization and increased staffing needs of Reclamation's Information Technology Resource Management program to improve performance and enhance Reclamation's Cybersecurity posture.

The increase in **Operations** is also due to a slight increase in services for a new IT Firewall Support contract and increase in equipment costs due to replacement of IT Equipment, i.e. Cisco Switches, Routers, & NAS Network Storage.

Maintenance increase is also due to miscellaneous charges and services attributed to additional relocation costs and an increase in the trash disposal contract and the fabrication of historical elevator doors. Increase to budget is attributed to the 16.5Kv Generator Breaker Maintenance scheduled to resume work in FY2023. These increases are offset by decreases in training and travel due to less specialized training required.

A&GE increase is due to a increase in miscellaneous charges, training, travel, and services decreases are primarily attributed to the reevaluation of trends and lower than anticipated costs. Increases for material and supplies attributed to increased costs for ammunition for the Security Forces and an increase in anticipated costs for Workman's Compensation Program (OWCP).

Extraordinary Maintenance increase is primarily attributed to the need to accomplish work in FY 2023 for several projects including but not limited to: Generator Step-Up (GSU) Transformers Maintenance, Lower Portal Road Erosion Control, Partial Discharge Monitors, & the Spillway, Penstock & Dam Abutment Drains Cleaning .

Replacements decrease is primarily due to Hoover Management's effort to levelize the RAX projects resulting in reduced funding request for projects in FY 2023, such as but not limited to: A9 Wicket Gates, Escalator Replacement, Waste Water Treatment Facility, & Control Center Renovation.

Visitor Services increases is also due to higher costs for large contracts such as Janitorial, Memorabilia, Ticketing & Trash Disposal.

WAPA:

O&M expenses decreased (facility and systemwide) due to a shift in costs from O&M to capital, as well as reducing costs wherever possible ensuring proper budgeting support for capital projects.

Replacements increase is primarily attributed to the need to accomplish work in FY 2023 for several projects including but not limited to: Breaker Replacements, Relay Replacements and Facility Replacements.

PRB increase is based on a 5- year average of actual expenses. Higher FY 2019 and FY 2021 expenditures are increasing the average.

Ancillary Services increase is based on a 5-year average of actual revenue. Higher FY 2018 and FY 2021 revenue are increasing this average.

**Boulder Canyon Project
Proposed Base Charge Comparison**

Description	Measure	FY 2022 Base Charge	Proposed FY 2023 Base Charge	Change	
				Amount	%
Base Charge		\$67,355,778	\$69,861,560	\$2,505,782	3.7%
Energy Projection	MWh	3,264,831	3,103,826	(161,005)	-4.9%
Composite Rate	Mills/kWh	20.63	22.51	1.88	9.1%
Energy Rate	Mills/kWh	10.32	11.25	0.93	9.0%
Capacity Projection	kW	1,383,000	1,299,750	(83,250)	-6.0%
Capacity Rate	(\$/kW-Mo)	\$2.03	\$2.24	\$0.21	10.3%

- Energy and capacity projections based on the most recent projections.
- Energy and capacity projections will be updated June 1, 2022 using the Final FY 2023 Master Schedule