

Boulder Canyon Project



Proposed Base Charge Fiscal Year 2022

(March 3, 2021)

**Boulder Canyon Project
FY 2020 Base Charge vs. Actuals**

	FY 2020 Base Charge	FY 2020 Actuals	Change
Reclamation			
Operations	\$ 8,425,000	\$ 7,152,067	\$ (1,272,933)
Maintenance	17,278,000	15,609,502	(1,668,498)
A&GE	22,643,000	19,381,383	(3,261,617)
Subtotal A&GE	22,643,000	42,142,952	(3,261,617)
Extraordinary Maintenance	10,117,000	5,673,628	(4,443,372)
O&M	58,463,000	47,816,580	(10,646,420)
Replacements	4,384,000	6,264,539	1,880,539
OM&R	62,847,000	54,081,119	(8,765,881)
Post Retirement Benefits (PRB)	1,751,851	1,972,181	220,330
OM&R w/PRB	64,598,851	56,053,300	(8,545,551)
WAPA			
Facility Expenses	2,491,204	1,797,504	(693,700)
Systemwide Expenses	5,816,002	6,217,215	401,213
O&M	8,307,206	8,014,719	(292,487)
Replacements	208,000	63,293	(144,707)
OM&R	8,515,206	8,078,012	(437,194)
Post Retirement Benefits (PRB)	230,308	149,649	(80,659)
OM&R w/PRB	8,745,514	8,227,661	(517,853)
Total O&M w/PRB	68,960,365	58,016,422	(10,943,943)
Total OM&R w/PRB	73,344,365	64,280,961	(9,063,404)
Other Expense			
Visitor Services - Reclamation	9,529,000	6,814,639	(2,714,361)
Payments to States - Reclamation	600,000	600,000	-
Principal Payment - Flood Control	574,207	574,207	-
Interest - Flood Control	403,342	390,902	(12,440)
Interest - CME & Warehouse	24,922	26,511	1,589
Other Expense	11,131,470	8,406,258	(2,725,212)
Total Expense	84,475,835	72,687,220	(11,788,616)
Prior Year Carryover	1,295,141	16,542,637	15,247,496
Other Revenue			
Visitor Services - Reclamation	15,000,000	6,692,399	(8,307,601)
Ancillary Services - WAPA	1,211,292	1,314,653	103,361
Other Revenue	16,211,292	8,007,052	(8,204,240)
Water Sales Revenue	550,000	564,065	14,065
Base Charge	\$ 66,419,402	\$ 47,573,466	\$ (18,845,937)
Cash Available	-	18,845,936	
Less Change in UDO - Reclamation	-	(1,985,655)	
Less Change in UDO - WAPA	-	145,650	
Less Change in Accts. Rec. - Reclamation	-	(417,095)	
Less Change in Accts. Rec. - WAPA	-	(451,947)	
FY 2020 Carryover		\$ 21,554,983	

**Boulder Canyon Project
FY 2020 Base Charge vs. Actuals**

Reclamation's Narrative

Operations: Decrease is due to lower than anticipated costs due to the Covid-19 pandemic.

Maintenance: Decrease is due to lower than anticipated costs due to the Covid-19 pandemic.

A&GE: Decrease is due to lower than anticipated costs due to the Covid-19 pandemic.

Extraordinary Maintenance: Decrease is due to lower than anticipated costs due to the Covid-19 pandemic.

Replacements: Increase is due to work on the Stainless Steel Wicket Gates.

Visitor Services: Decrease in expenses and revenue is due to the Covid-19 pandemic and closure of the Visitor Center.

WAPA's Narrative

Facility Expenses decreased in the following areas:

Transmission Line Maintenance: Decrease is due to line patrol delays and the Covid-19 pandemic.

Communications Systems Support: Decrease is due to the Covid-19 pandemic.

Phoenix Service Center: Decrease is due to realized cost savings from consolidating contracts and a focus on other capital projects.

Power Billing/Collecting: Decrease is due to multiple vacancies in Power Billing and Meter Reading.

Transmission/Engineering Studies: Decrease is due to the Covid-19 pandemic.

Boulder Canyon Project
FY 2021 Base Charge vs. Revised FY 2021 Budget

	FY 2021 Base Charge	Revised FY 2021 Budget	Change
Reclamation			
Operations	\$ 7,877,000	\$ 8,167,719	\$ 290,719
Maintenance	18,520,000	19,015,457	495,457
A&GE	24,143,000	24,778,542	635,542
Extraordinary Maintenance	10,504,500	15,910,549	5,406,049
O&M	61,044,500	67,872,267	6,827,767
Replacements	6,036,000	11,129,450	5,093,450
OM&R	67,080,500	79,001,717	11,921,217
Post Retirement Benefits (PRB)	1,947,257	1,947,257	-
OM&R w/PRB	69,027,757	80,948,974	11,921,217
WAPA			
Facility Expenses	2,268,969	2,268,969	-
Systemwide Expenses	5,646,320	5,856,320	210,000
O&M	7,915,289	8,125,289	210,000
Replacements	202,584	200,000	(2,584)
OM&R	8,117,873	8,325,289	207,416
Post Retirement Benefits (PRB)	254,455	254,455	-
OM&R w/PRB	8,372,328	8,579,744	207,416
Total O&M w/PRB	71,364,085	78,399,268	7,035,183
Total OM&R w/PRB	77,400,085	89,528,718	12,128,633
Other Expense			
Visitor Services	9,570,000	10,019,953	449,953
Payments to States	600,000	600,000	-
Principal Payment - Flood Control	591,433	591,433	-
Interest - Flood Control	386,115	372,456	(13,660)
Interest - CME & Warehouse	28,441	28,441	-
Subtotal Other Annual Expense	11,175,989	11,612,283	436,293
Total Expense	88,576,074	101,141,001	12,564,926
Prior Year Carryover	4,306,534	21,554,983	17,248,449
Other Revenue			
Visitor Services	17,000,000	13,000,000	(4,000,000)
Ancillary Services	1,276,078	1,276,078	-
Other Revenue	18,276,078	14,276,078	(4,000,000)
Water Sales Revenue	550,000	550,000	-
Base Charge	\$ 65,443,462	\$ 64,759,939	\$ (683,523)
FY 2021 Carryover	\$ -	\$ 683,523	

Boulder Canyon Project
FY 2021 Base Charge vs. Revised FY 2021 Budget

Reclamation's Narrative

Operations: Increase due to the carryover of FY 2020 unobligated funds (Multi-year Project Funds or MYPF) needed to complete work in FY 2021.

Maintenance: Increase due to the carryover of FY 2020 MYPF needed to complete work in FY 2021.

A&GE: Increased expenditures due to carryover of FY 2020 MYPF needed to accomplish work in FY 2021.

Extraordinary Maintenance: Increase due to the carryover of FY 2020 MYPF needed to accomplish work in FY 2021 for multiple projects.

Replacements: Increase due to the carryover of FY 2020 MYPF needed to accomplish work in FY 2021 for multiple projects.

Visitor Services: Increase primarily due to the carryover of FY 2020 MYPF needed to continue work.

Visitor Services Revenue: Decrease is due to the Covid-19 pandemic and the Visitor Center closure.

WAPA's Narrative

Systems Operations & Load Dispatching: Increase of \$210,000 of FY 2020 carryover for SCE Capital Lease.

Boulder Canyon Project
FY 2021 Base Charge vs. Proposed FY 2022 Base Charge

	FY 2021 Base Charge	Proposed FY 2022 Base Charge	Change
Reclamation			
Operations	\$ 7,877,000	\$ 8,023,000	\$ 146,000
Maintenance	18,520,000	17,594,500	(925,500)
A&GE	24,143,000	23,113,000	(1,030,000)
Extraordinary Maintenance	10,504,500	8,997,000	(1,507,500)
O&M	61,044,500	57,727,500	(3,317,000)
Replacements	6,036,000	11,358,500	5,322,500
OM&R	67,080,500	69,086,000	2,005,500
Post Retirement Benefits (PRB)	1,947,257	1,991,582	44,325
OM&R w/PRB	69,027,757	71,077,582	2,049,825
WAPA			
Facility Expenses	2,268,969	1,974,548	(294,421)
Systemwide Expenses	5,646,320	6,461,166	814,846
O&M	7,915,289	8,435,714	520,425
Replacements	202,584	450,000	247,416
OM&R	8,117,873	8,885,714	767,841
Post Retirement Benefits (PRB)	254,455	248,201	(6,254)
OM&R w/PRB	8,372,328	9,133,915	761,587
Total O&M w/PRB	71,364,085	68,852,997	(2,511,088)
Total OM&R w/PRB	77,400,085	80,211,497	2,811,412
Other Expense			
Visitor Services	9,570,000	11,082,000	1,512,000
Payments to States	600,000	600,000	-
Principal Payment - Flood Control	591,433	609,176	17,743
Interest - Flood Control	386,115	368,372	(17,743)
Interest - CME & Warehouse	28,441	29,089	648
Other Expense	11,175,989	12,688,637	1,512,648
Total Expense	88,576,074	92,900,134	4,324,060
Prior Year Carryover	4,306,534	683,523	(3,623,011)
Other Revenue			
Visitor Services	17,000,000	19,000,000	2,000,000
Ancillary Services	1,276,078	1,350,689	74,611
Other Revenue	18,276,078	20,350,689	2,074,611
Water Sales Revenue	550,000	550,000	-
Base Charge	\$ 65,443,462	\$ 71,315,922	\$ 5,872,460

Boulder Canyon Project
FY 2021 Base Charge vs. Proposed FY 2022 Base Charge

Reclamation's Narrative

Operations: Increase is primarily attributed to increased Region/Denver/Other support, slight increase in overtime, training & materials, increase in services due to a new standard operating procedures contract with Documents Management Technologies. Some of the increases are offset by a decrease in Equipment primarily attributed to less IT SCADA equipment needed due to the life cycle replacement schedule.

Maintenance: Decrease is primarily due to Hoover Force Account Labor Adjustment, increased support from Maintenance staff charging to RAX projects. Decrease in training due to less specialized training needed in FY 2022. Decrease in services due to large contract percentages reduced for maintenance office, and decreased support from Region/Denver/Other from the Technical Services Center in Denver.

A&GE: Decreases are primarily due to the following but not limited to: BCPIA Audit (every three years starting in FY 2021, no audit in FY 2022), decrease in salaries, benefits, overhead, materials & supplies are due to an 80% allocation to Visitor Services from Compliance & Regulatory Office, and equipment decrease is attributed to less large equipment purchases.

Extraordinary Maintenance: Decrease is primarily due to Hoover Management's effort to levelize the EOM projects resulting in reduced funding request for EOM projects in FY 2022, such as but not limited to: Penstocks & Lateral Spot Coating, Penstock Lateral Tunnels-Safety Doors Refurbishment, and N3 Stator Rewedge.

Replacements: Increase is primarily attributed to the need to accomplish work in FY 2022 for several projects including but not limited to: A9 Wicket Gate & Facing Plates, Cylinder Gate Stem Evaluation & Replacement, 480 Volt Switchgear Replacement, Upgrade CISCO ONS 15454 and the Escalator Replacement.

Visitor Services: Increase is primarily attributed to new 80% allocation of costs from Compliance & Regulatory Waste Water to Visitor Services.

Other Revenue: Visitor Services increased revenue estimate due to the implementation of the Commercial Use Authorizations for Road-Based Tours fees.

WAPA's Narrative

Facility Expense: Decrease is due to realignment of costs from Substation Maintenance to Safety for security guard services at Mead Substation.

Systemwide Expense: Increase is due to higher Power Marketing expenses (\$400,000) and System Operations and Load Dispatching (\$463,000). The increases were resulting from Hoover-Mead line lease with SCE and labor shifts as well as the redistribution of costs due to the closure of Navajo Generating Station.

PRB: The projected increase (\$6,254) is based on a 5-year average of actual expenses. Higher FY 2018 and FY 2019 expenditures are increasing this average.

Ancillary Services: The projected increase (\$74,611) is based on a 5-year average of actual revenue. Higher FY 2018 and FY 2019 revenue are increasing this average.

**Boulder Canyon Project
Proposed Base Charge Comparison**

	Measure	FY 2021 Base Charge	Proposed FY 2022 Base Charge	Change	
				Amount	%
Base Charge		\$65,443,462	\$71,315,922	\$5,872,460	9.0%
Energy Projection	MWh	3,615,770	3,615,770	-	0.0%
Composite Rate	Mills/kWh	18.10	19.72	1.62	9.0%
Energy Rate	Mills/kWh	9.05	9.86	0.81	9.0%
Capacity Projection	kW	1,611,083	1,611,083	-	0.00%
Capacity Rate	(\$/kW-Mo)	\$1.69	\$1.84	\$0.15	8.9%

- Energy and capacity projections based on the Final FY 2021 Master Schedule
- Energy and capacity projections will be updated June 1, 2021 using the Final FY 2022 Master Schedule