



Western
Area Power
Administration

FY21 Work Plan Meeting

April 3, 2019

Parker-Davis & Intertie



Agenda

- Welcome
- Work Plan Meeting Schedule
- FY21 Work Plan Introduction
- HQ FY21 Work Plan
- FY19 Budget vs Actual
- DSW FY21 Work Plan & Rate Analysis
- Cash Flow



Work Plan Meeting Schedule

- FY21 Work Plan Meeting (Today)
 - FY16-18 Actuals
 - FY19-20 Budget Requests
 - FY21 Formulated Work Plan
 - FY22-25 Out Years Work Plan
- FY19 Budget vs Actual Meeting (Dec 10, 2019)
 - FY19 Final Budget Execution
 - FY22 Strategic Budget Guidance
 - FY22 New FTE Requested





Western
Area Power
Administration

FY21 Work Plan Meeting

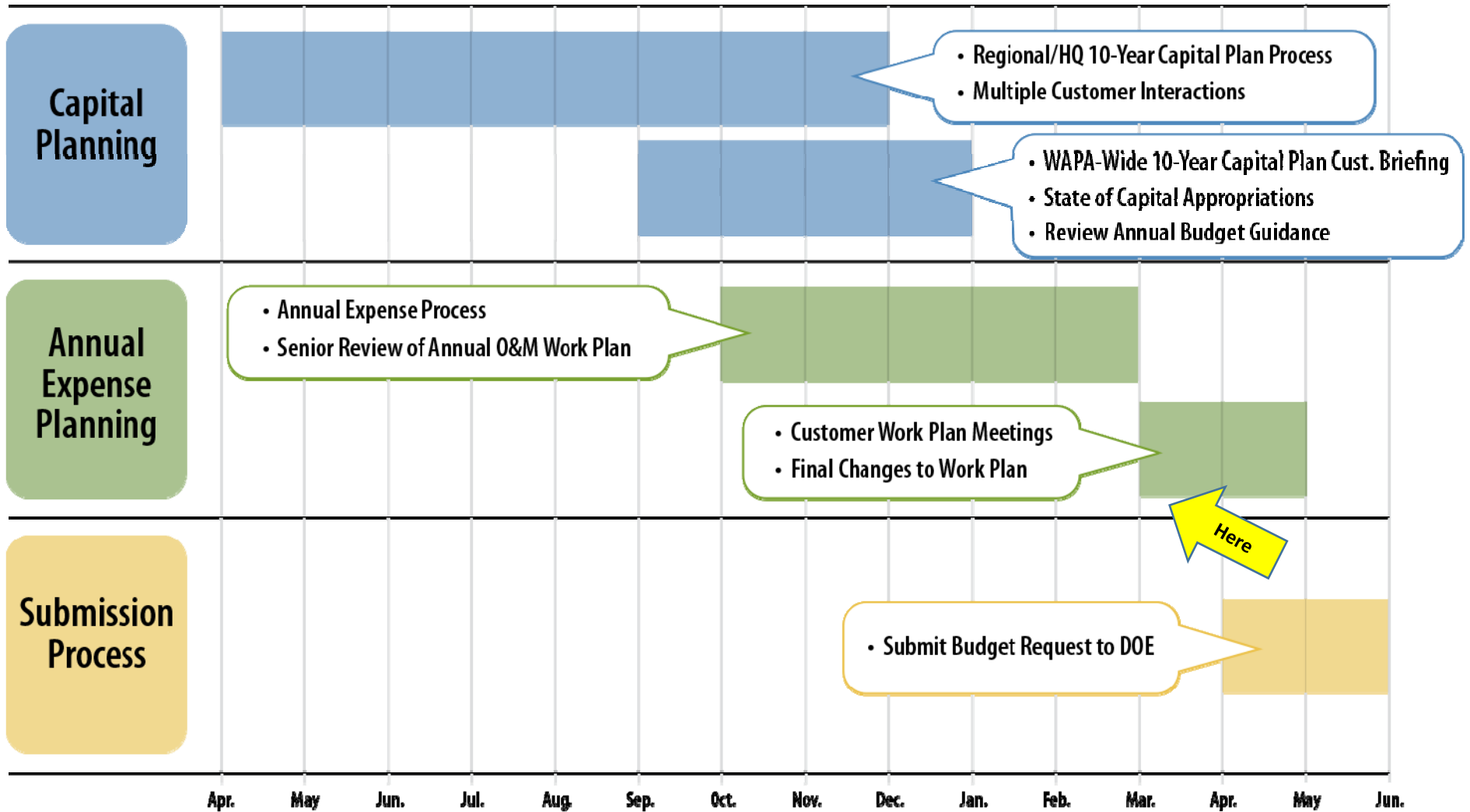
Colin Marquez

April 3, 2019

Parker-Davis & Intertie



Budget Timeline



FY21 Administrator's Budget Guidance

- Investment drivers
- Assumptions / Constraints

Read more:

[The Source – Budget Allocation](#)



Investment Drivers



- Tactical Action Plan
- Strategic Target Areas
 - Mission-critical customer services in evolving industry
 - Asset Management 2.0
 - Grid resiliency
 - People and organization



... FY21 Administrator's Budget Guidance

Assumptions / Constraints

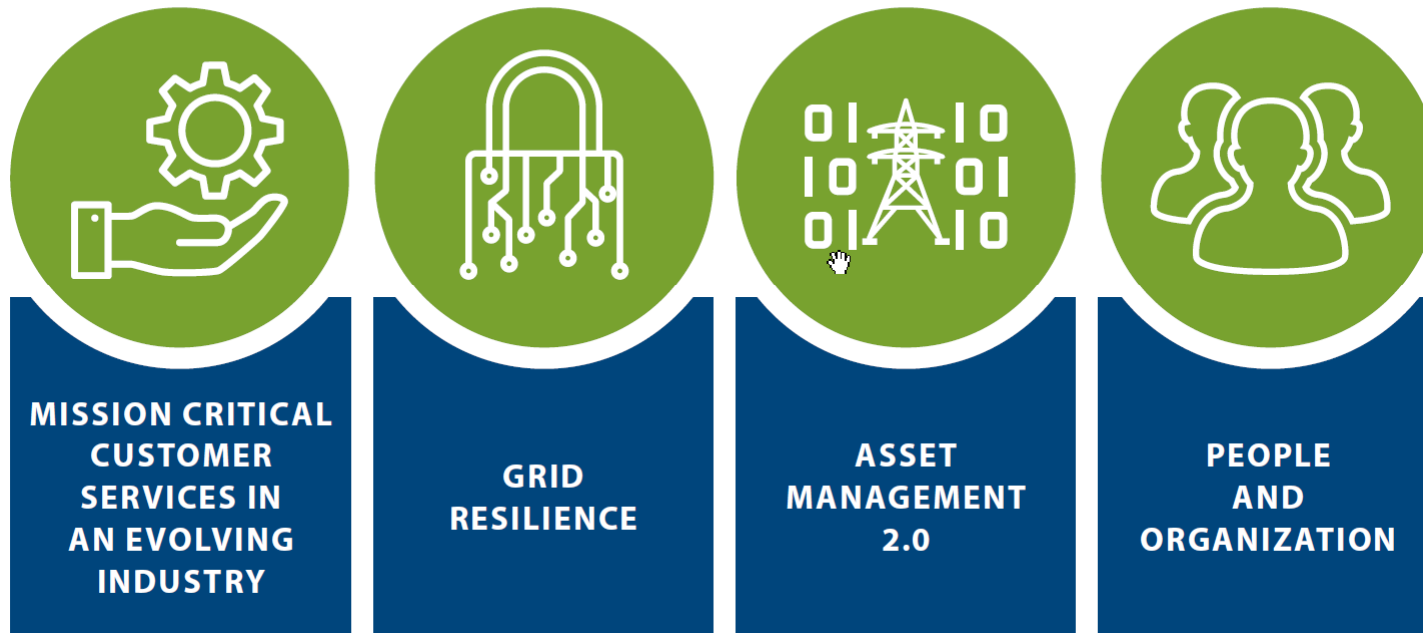
- Investment drivers must be offset
- FTE neutral
- Inflation at 2% for labor / non-labor
- Training and leadership development at 2% of payroll
- Increases over FY20 work plan require Administrator approval
- Physical security to meet risk assessments and remediation plans



Roadmap 2024



Strategic Target Areas



Mission Critical Customer Services in an Evolving Industry

OUTCOME:

The value of WAPA's cost-based power, transmission and related services is enhanced in a transforming industry.

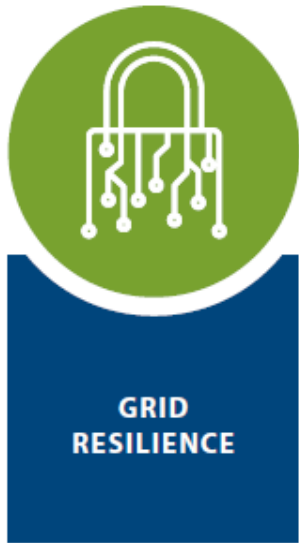


ACTIONS:

- Position WAPA for regional energy market participation
- Improve efficiency and effectiveness of WAPA's internal business operations to support agility



Grid Resilience



OUTCOME:

Disruptions from natural, physical and cyber threats are prevented when possible, and services are restored quickly when disruptions occur.

ACTIONS:

- Implement a risk-based approach to implementing security enhancements
- Improve detection capability on SCADA networks
- Strengthen emergency preparedness and response
- Strategically manager large power transformers
- Explore further leveraging WAPA's fiber assets



Asset Management 2.0



OUTCOME:

Data-driven insight into maintenance, budgeting and business decisions.

ACTIONS:

- Leverage major asset data to improve planning, budgeting and maintenance practices
- Add additional assets to Asset Management catalog
- Ensure data is accessible, accurate and available to support business decision making



People and Organization



OUTCOME:

An engaged, high-performing workforce driving improved business operations.

ACTIONS:

- Strengthen safety and system reliability by instilling Human Performance and Just Culture principles
- Enhance WAPA's culture through leadership development
- Improve resource allocation and prioritization through integrated program planning and budgeting
- Deliver more strategic, efficient and effective acquisition services

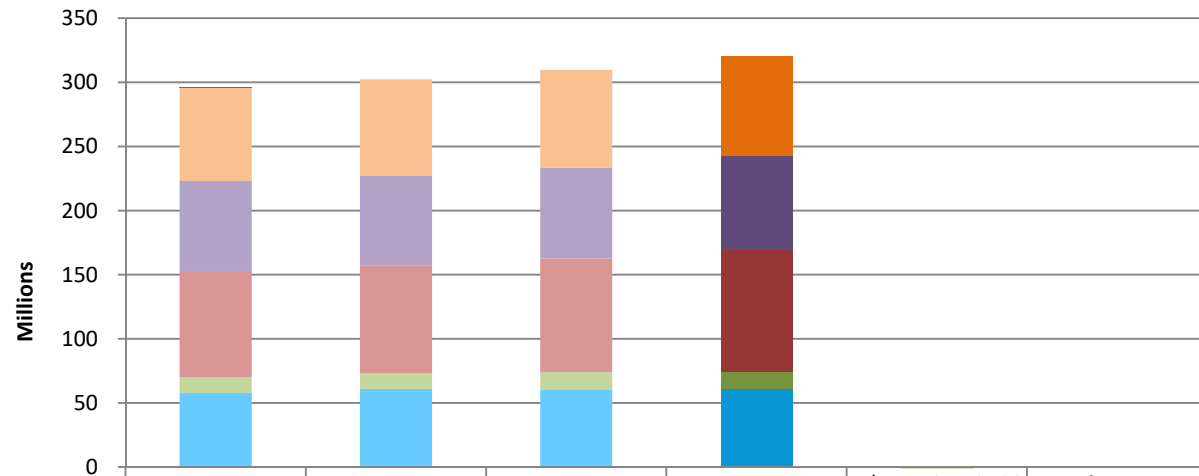


WAPA Annual Expenses for Rate-Setting Systems

Summary

- Aligns with the TAP
- FTE neutral
- 2% inflation (labor/non-labor)
- Training and leadership development at 2% of payroll
- \$4.1M above 2% inflation
 - Re-baseline regional Annual O&M
 - Engineering salaries
 - Unallocated FTE assigned - Pilot, Field Engineer (2), Program and Regulatory Advisor (.5), Human Performance / Just Culture, Leadership Development (2)

WAPA-Wide
Budget Annual Expenses for Rate-Setting Systems
 CROM, CRBPMF, Boulder Canyon, Central Arizona, ED5



	FY 2018 Actuals	FY 2019 Request	FY 2020 Request	FY 2021 Request	+/- 2% Threshold (\$)	% of Variance FY21 vs FY20
■ HQ	73,484	0	0	0	0	0.0%
■ UGPR	72,991,455	75,479,956	76,219,225	77,619,931	(123,678)	2%
■ DSWR	70,219,917	69,556,786	70,790,273	72,916,953	710,875	3%
■ RMR	82,953,350	84,233,565	88,716,195	95,299,392	4,808,873	7%
■ CRSP	12,275,878	12,186,199	13,901,835	13,071,776	(1,108,096)	-6%
■ SNR	57,693,715	60,995,631	60,061,423	61,111,250	(151,402)	2%
Total Regions	296,207,800	302,452,136	309,688,951	320,019,302	4,136,572	3%



WAPA Senior Leadership Decisions

Approved

- \$4.1M above budget guidance
- Assign unallocated (6.5) FTE
- Re-baseline regional O&M

Deferred (not funded)

- Re-evaluate in year of execution
- \$1.2M Physical security guard services and alarm monitoring
- \$1.4M Records management
- \$2M Network expansion



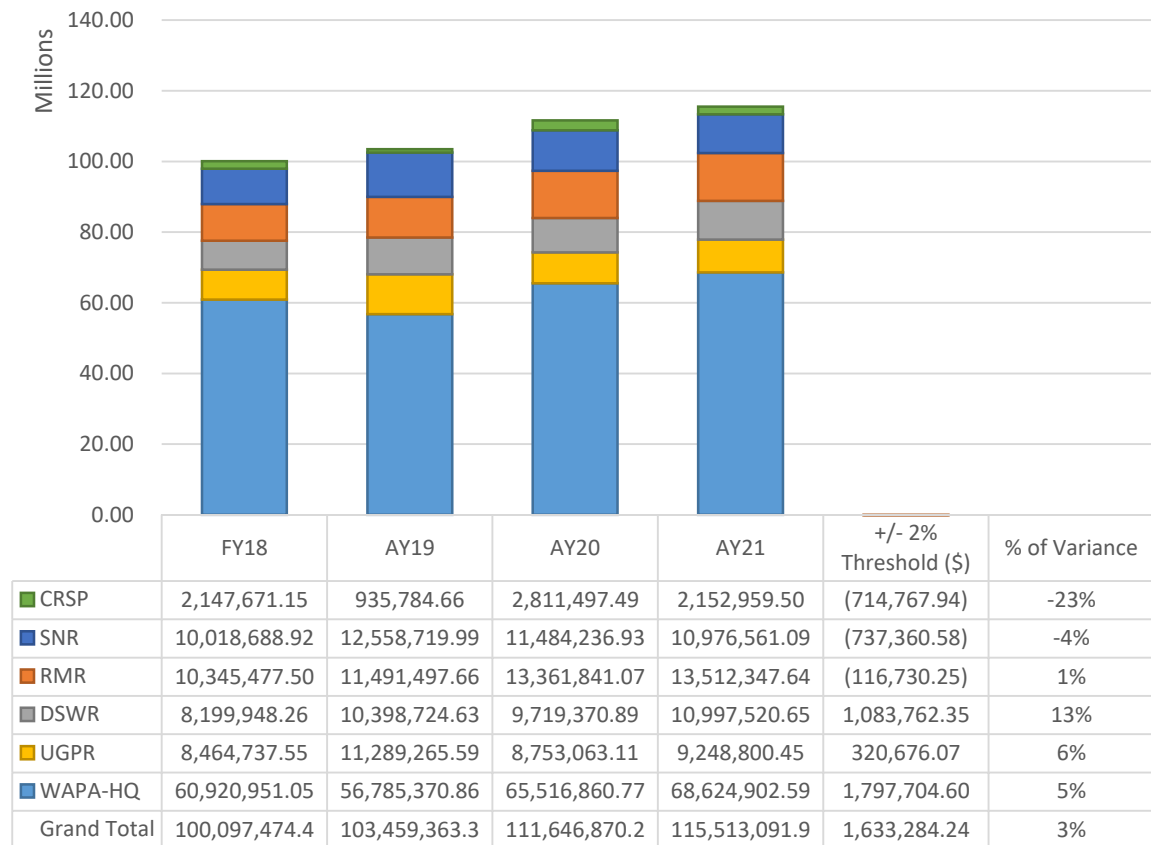
WAPA-HQ Budget Request

Summary

- \$300k above inflation
 - Unallocated FTE assigned - Pilot, Human Performance / Just Culture, Leadership Development (2)
- \$1.3M budget shift to WAPA-HQ for DSW guard services
- OCAO re-organization

WAPA-HQ

Indirect and Direct Expenses for Rate-Setting Systems



WAPA-HQ Handouts – Total WAPA-HQ

Power System	Cost Type	Organization	FY18 Actuals	FY19 Work Plan	FY20 Work Plan	FY21 Work Plan	FY20/FY21 \$	FY20/FY21 %
WAPA-HQ								
	Indirect	A0 Administrative	\$ 8,003,152	\$ 7,187,646	\$ 8,826,888	\$ 8,491,644	\$ (335,244)	-4%
		A2 OCIO	\$ 22,976,866	\$ 19,692,067	\$ 24,317,676	\$ 24,467,938	\$ 150,262	1%
		A7 OCOO	\$ 24,089,371	\$ 23,467,039	\$ 25,943,717	\$ 15,325,511	\$ (10,618,206)	-41%
		A8 OCFO	\$ 6,741,825	\$ 6,775,112	\$ 6,615,970	\$ 7,107,162	\$ 491,192	7%
		A9 OCAO	\$ -	\$ -	\$ -	\$ 13,232,648	\$ 13,232,648	N/A
		Total Indirect	\$ 61,811,214	\$ 57,121,864	\$ 65,704,251	\$ 68,624,903	\$ 2,920,652	4%
	Expense	A0 Administrative	\$ -	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)	-100%
		A7 OCOO	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
		Total Expense	\$ -	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)	-100%
	Capital	A2 OCIO	\$ 4,354,668	\$ 6,220,450	\$ 5,705,751	\$ 7,399,287	\$ 1,693,536	30%
		A7 OCOO	\$ 2,935,671	\$ 750,000	\$ 300,000	\$ 650,000	\$ 350,000	117%
		A8 OCFO	\$ 92,168	\$ -	\$ 392,307	\$ -	\$ (392,307)	-100%
		Total Capital	\$ 7,382,507	\$ 6,970,450	\$ 6,398,058	\$ 8,049,287	\$ 1,651,229	26%
	Direct	Indirect (Direct Allocation)	\$ 20,935,302	\$ 26,896,405	\$ 22,398,657	\$ 22,536,818	\$ 138,161	1%
		Expense	\$ 19,720,678	\$ 19,150,335	\$ 23,542,463	\$ 24,351,371	\$ 808,908	3%
		Capital	\$ 6,318,253	\$ 13,672,632	\$ 10,878,158	\$ 10,727,383	\$ (150,775)	-1%
		Total Direct	\$ 46,974,233	\$ 59,719,372	\$ 56,819,278	\$ 57,615,572	\$ 796,294	1%
		Total WAPA-HQ	\$ 116,167,954	\$ 123,813,186	\$ 128,923,087	\$ 134,289,762	\$ 5,366,675	4%



WAPA-HQ Handouts – DSW Indirect

Power System	Cost Type	Organization	FY18 Actuals	FY19 Work Plan	FY20 Work Plan	FY21 Work Plan	FY20/FY21 \$	FY20/FY21 %
DSW - Indirect								
	Indirect	A0 Administrative	\$ 249,141	\$ 46,534	\$ 343,466	\$ 199,438	\$ (144,028)	-42%
		A2 OCIO	\$ 4,382,489	\$ 5,219,602	\$ 4,471,916	\$ 4,141,899	\$ (330,017)	-7%
		A7 OCOO	\$ 310,805	\$ 490,037	\$ 466,296	\$ 762,680	\$ 296,384	64%
		A8 OCFO	\$ 94,337	\$ 233,493	\$ 275,014	\$ 232,466	\$ (42,548)	-15%
		A9 OCAO	\$ -	\$ -	\$ -	\$ 384,992	\$ 384,992	N/A
		Total Indirect	\$ 5,036,772	\$ 5,989,666	\$ 5,556,692	\$ 5,721,475	\$ 164,783	3%
		Total DSW-Indirect	\$ 5,036,772	\$ 5,989,666	\$ 5,556,692	\$ 5,721,475	\$ 164,783	3%



WAPA-HQ Handouts – Parker-Davis

Power System	Cost Type	Organization	FY18 Actuals	FY19 Work Plan	FY20 Work Plan	FY21 Work Plan	FY20/FY21 \$	FY20/FY21 %
Parker-Davis								
	Expense	A0 Administrative	\$ 57,630	\$ 68,964	\$ 80,541	\$ 92,320	\$ 11,779	15%
		A2 OCIO	\$ 1,174,263	\$ 2,011,699	\$ 2,581,984	\$ 1,688,892	\$ (893,092)	-35%
		A7 OCOO	\$ 562,390	\$ 551,733	\$ 717,568	\$ 617,097	\$ (100,471)	-14%
		A8 OCFO	\$ 38,299	\$ -	\$ -	\$ -	\$ -	N/A
		A9 OCAO	\$ -	\$ -	\$ -	\$ 478,230	\$ 478,230	N/A
		Total Expense	\$ 1,832,582	\$ 2,632,396	\$ 3,380,093	\$ 2,876,539	\$ (503,554)	-15%
	Capital	A0 Administrative	\$ 518	\$ -	\$ -	\$ -	\$ -	N/A
		A2 OCIO	\$ 495,728	\$ 1,501,550	\$ 1,673,556	\$ 2,238,941	\$ 565,385	34%
		A7 OCOO	\$ 605,785	\$ 1,071,713	\$ 32,132	\$ 14,744	\$ (17,388)	-54%
		A8 OCFO	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
		A9 OCAO	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
		Total Capital	\$ 1,102,031	\$ 2,573,263	\$ 1,705,688	\$ 2,253,685	\$ 547,997	32%
		Total Parker-Davis	\$ 2,934,613	\$ 5,205,659	\$ 5,085,781	\$ 5,130,224	\$ 44,443	1%



WAPA-HQ Handouts - Intertie

Power System	Cost Type	Organization	FY18 Actuals	FY19 Work Plan	FY20 Work Plan	FY21 Work Plan	FY20/FY21 \$	FY20/FY21 %
Intertie								
	Expense	A0 Administrative	\$ 16,492	\$ 46,068	\$ 51,566	\$ 55,138	\$ 3,572	7%
		A2 OCIO	\$ 155,996	\$ 358,760	\$ 94,173	\$ 276,853	\$ 182,680	194%
		A7 OCOO	\$ 141,731	\$ 92,901	\$ 53,278	\$ 703,044	\$ 649,766	1220%
		A8 OCFO	\$ 11,755	\$ -	\$ -	\$ -	\$ -	N/A
		A9 OCAO	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
		Total Expense	\$ 325,974	\$ 497,729	\$ 199,017	\$ 1,035,035	\$ 836,018	420%
	Capital	A0 Administrative	\$ 22,853	\$ -	\$ -	\$ -	\$ -	N/A
		A2 OCIO	\$ 6,356	\$ -	\$ -	\$ -	\$ -	N/A
		A7 OCOO	\$ 158,096	\$ 86,159	\$ -	\$ 18,786	\$ 18,786	N/A
		A9 OCAO	\$ -	\$ -	\$ -	\$ 14,977	\$ 14,977	N/A
		Total Capital	\$ 187,305	\$ 86,159	\$ -	\$ 33,763	\$ 33,763	N/A
		Total Intertie	\$ 513,279	\$ 583,888	\$ 199,017	\$ 1,068,798	\$ 869,781	437%





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FY19 Budget vs Actual

Jennifer Hultsch

April 3, 2019

Parker-Davis & Intertie



Parker-Davis O&M

Budget Activity	Description	FY19 Budget	FY19 Actuals	Available (Shortfall)	FY19 % Executed
Maintenance					
N/FGPD ADMSM	Admin Maintenance Support	\$ 576,553	\$ -	\$ 576,553	0%
N/FGPD COMMM	Communication & Control	\$ 1,244,975	\$ 574,926	\$ 670,049	46%
N/FGPD ENVTM	Environmental	\$ 545,309	\$ 258,853	\$ 286,456	47%
N/FGPD LINCM	Lines, Direct Hrs, No Specific Job	\$ 1,627,460	\$ 836,881	\$ 790,579	51%
N/FGPD LINSM	O&M of Trans Lines	\$ 6,562,787	\$ 1,220,031	\$ 5,342,756	19%
N/FGPD STUDM	Transmission/Engineering Studies	\$ 2,254,069	\$ 1,109,495	\$ 1,144,574	49%
N/FGPD SUBCM	Subs, Direct Hrs, No Specific Job	\$ 3,258,396	\$ 1,651,604	\$ 1,606,792	51%
N/FGPD SUBSM	O&M of Subs & Related Facilities	\$ 6,462,822	\$ 2,335,002	\$ 4,127,820	36%
	Total Maintenance	\$ 22,532,371	\$ 7,986,791	\$ 14,545,580	35%
Non-Maintenance					
N/FGPD BILLM	Power Billing	\$ 677,037	\$ 182,220	\$ 494,817	27%
N/FGPD CAREM	Conserv & Renew Energy	\$ 82,729	\$ 13,188	\$ 69,542	16%
N/FGPD FINAM	Financial Management	\$ 381,401	\$ 36,866	\$ 344,535	10%
N/FGPD GWAMM	General Western Allocation	\$ (63,206)	\$ -	\$ (63,206)	0%
N/FGPD MRKTM	Power Marketing	\$ 4,373,528	\$ 1,173,097	\$ 3,200,431	27%
N/FGPD SAFEM	Safety & Security	\$ 643,128	\$ 154,156	\$ 488,972	24%
N/FGPD SOLDM	Sys Ops & Load Dispatch	\$ 7,053,803	\$ 3,408,057	\$ 3,645,746	48%
N/FGPD SUPTM	Data Activities Charges	\$ -	\$ -	\$ -	N/A
N/FGPD SVCFM	DSWR Service Facility Clearing	\$ 1,210,279	\$ -	\$ 1,210,279	0%
	Total Non-Maintenance	\$ 14,358,699	\$ 4,967,583	\$ 9,391,116	35%
	Subtotal O&M	\$ 36,891,070	\$ 12,954,375	\$ 23,936,695	35%



42% of year complete

Parker-Davis Capital and PPW Program

Budget Activity	Description	FY19 Budget	FY19 Actuals	Available (Shortfall)	FY19 % Executed
Capital O&M					
N/FGPD COMMB	Replace Comm & Control Equip	\$ 630,000	\$ 141,611	\$ 488,389	22%
N/FGPD LINSB	Transmission Lines	\$ 3,000,000	\$ 1,041,114	\$ 1,958,886	35%
N/FGPD MOVPM	Movable Property	\$ 3,051,550	\$ 1,508,297	\$ 1,543,253	49%
N/FGPD SUBSB	Replace Substation Equip	\$ 4,087,000	\$ 1,822,930	\$ 2,264,070	45%
	Subtotal Capital O&M	\$ 10,768,550	\$ 4,513,952	\$ 6,254,598	42%
Construction					
Appropriated	Multiple Projects	\$ 1,816,000	\$ 402,502	\$ 1,413,498	22%
Prepayment	Multiple Projects	\$ 13,243,000	\$ 2,073,369	\$ 11,169,631	16%
	Subtotal Construction	\$ 15,059,000	\$ 2,475,871	\$ 12,583,129	16%
PPW					
N/FGPD PPW	Purchased Power & Wheeling	\$ 10,000,000	\$ 2,418,610	\$ 7,581,390	24%
	Subtotal PPW	\$ 10,000,000	\$ 2,418,610	\$ 7,581,390	24%
	Grand Total	\$ 72,718,620	\$ 22,362,807	\$ 50,355,813	31%

42% of year complete



Intertie O&M

Budget Activity	Description	FY19 Budget	FY19 Actuals	Available (Shortfall)	FY19 % Executed
Maintenance					
N/FGIN ADMSM	Admin Maintenance Support	\$ 134,690	\$ -	\$ 134,690	0%
N/FGIN COMMM	Communication & Control	\$ 287,959	\$ 113,764	\$ 174,195	40%
N/FGIN ENVTM	Environmental	\$ 148,542	\$ 11,619	\$ 136,923	8%
N/FGIN LINCM	Lines, Direct Hrs, No Specific Job	\$ 158,813	\$ 66,830	\$ 91,983	42%
N/FGIN LINSM	O&M of Trans Lines	\$ 188,483	\$ 12,771	\$ 175,712	7%
N/FGIN STUDM	Transmission/Engineering Studies	\$ 444,595	\$ 213,043	\$ 231,552	48%
N/FGIN SUBCM	Subs, Direct Hrs, No Specific Job	\$ 1,369,475	\$ 679,977	\$ 689,498	50%
N/FGIN SUBSM	O&M of Subs & Related Facilities	\$ 3,185,019	\$ 910,287	\$ 2,274,732	29%
Total Maintenance		\$ 5,917,576	\$ 2,008,292	\$ 3,909,284	34%
Non-Maintenance					
N/FGIN BILLM	Power Billing	\$ 141,020	\$ 22,347	\$ 118,673	16%
N/FGIN FINAM	Financial Management	\$ 99,810	\$ 12,156	\$ 87,654	12%
N/FGIN GWAMM	General Western Allocation	\$ (13,254)	\$ -	\$ (13,254)	0%
N/FGIN MRKTM	Power Marketing	\$ 1,236,185	\$ 403,039	\$ 833,146	33%
N/FGIN SAFEM	Safety & Security	\$ 150,339	\$ 34,048	\$ 116,291	23%
N/FGIN SOLDM	Sys Ops & Load Dispatch	\$ 836,448	\$ 351,267	\$ 485,181	42%
N/FGIN SOLWM	Mead-Phoenix O&M	\$ 1,500,000	\$ 28,000	\$ 1,472,000	2%
N/FGIN SUPTM	Data Activities Charges	\$ -	\$ -	\$ -	N/A
N/FGIN SVCFM	DSWR Service Facility Clearing	\$ 283,491	\$ -	\$ 283,491	0%
Total Non-Maintenance		\$ 4,234,039	\$ 850,856	\$ 3,383,183	20%
Subtotal O&M		\$ 10,151,615	\$ 2,859,148	\$ 7,292,467	28%

42% of year complete



Intertie Capital and PPW Program

Budget Activity	Description	FY19 Budget	FY19 Actuals	Available (Shortfall)	FY19 % Executed
Capital O&M					
N/FGIN COMMB	Replace Comm & Control Equip	\$ -	\$ 27,394	\$ (27,394)	N/A
N/FGIN LINSB	Transmission Lines	\$ 1,500,000	\$ -	\$ 1,500,000	0%
N/FGIN MOVPB	Movable Property	\$ 40,000	\$ -	\$ 40,000	0%
N/FGIN SUBSB	Replace Substation Equip	\$ 900,000	\$ 128,192	\$ 771,808	14%
	Subtotal Capital O&M	\$ 2,440,000	\$ 155,586	\$ 2,284,414	6%
Construction					
Appropriated	Multiple Projects	\$ -	\$ 9,255	\$ (9,255)	N/A
Prepayment	Multiple Projects	\$ 2,622,000	\$ 272,048	\$ 2,349,952	10%
	Subtotal Construction	\$ 2,622,000	\$ 281,303	\$ 2,340,697	11%
PPW					
N/FGIN PPW	Purchased Power & Wheeling	\$ 4,000,000	\$ 2,565,399	\$ 1,434,601	64%
	Subtotal PPW	\$ 4,000,000	\$ 2,565,399	\$ 1,434,601	64%
	Grand Total	\$ 19,213,615	\$ 5,861,436	\$ 13,352,179	31%

42% of year complete





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FY21 Work Plan

Jennifer Hultsch

April 3, 2019

Parker-Davis & Intertie



Parker-Davis O&M

Budget Activity	Description	FY20 Work Plan	FY21 Work Plan	% Change FY20-FY21
Maintenance				
N/FGPD ADMSM	Admin Maintenance Support	\$ 1,924,861	\$ 436,605	-77%
N/FGPD COMMM	Communication & Control	\$ 1,392,399	\$ 1,820,140	131%
N/FGPD ENVTM	Environmental	\$ 390,376	\$ 1,637,401	319%
N/FGPD LINCM	Lines, Direct Hrs, No Specific Job	\$ 1,335,273	\$ 1,748,990	31%
N/FGPD LINSM	O&M of Trans Lines	\$ 6,745,210	\$ 4,879,477	-28%
N/FGPD STUDM	Transmission/Engineering Studies	\$ 2,106,497	\$ 2,729,288	30%
N/FGPD SUBCM	Subs, Direct Hrs, No Specific Job	\$ 3,892,087	\$ 4,241,558	9%
N/FGPD SUBSM	O&M of Subs & Related Facilities	\$ 5,008,087	\$ 6,281,570	25%
Total Maintenance		\$ 22,794,790	\$ 23,775,029	4%
Non-Maintenance				
N/FGPD BILLM	Power Billing	\$ 1,438,863	\$ 847,900	-41%
N/FGPD CAREM	Conserv & Renew Energy	\$ 117,217	\$ 51,294	-56%
N/FGPD FINAM	Financial Management	\$ 278,379	\$ 223,475	-20%
N/FGPD GWAMM	General Western Allocation	\$ -	\$ -	N/A
N/FGPD MRKTM	Power Marketing	\$ 3,734,931	\$ 3,086,773	-17%
N/FGPD SAFEM	Safety & Security	\$ 899,601	\$ 601,023	-33%
N/FGPD SOLDM	Sys Ops & Load Dispatch	\$ 7,801,474	\$ 7,396,093	-5%
N/FGPD SUPTM	Data Activities Charges	\$ -	\$ -	N/A
N/FGPD SVCFM	DSWR Service Facility Clearing	\$ 1,310,792	\$ 1,335,081	2%
Total Non-Maintenance		\$ 15,581,257	\$ 13,541,639	-13%
Subtotal O&M		\$ 38,376,047	\$ 37,316,668	-3%



Parker-Davis Capital and PPW Program

Budget Activity	Description	FY20 Work Plan	FY21 Work Plan	% Change FY20-FY21
Capital O&M				
N/FGPD COMMB	Replace Comm & Control Equip	\$ 505,000	\$ 363,334	-28%
N/FGPD LINSB	Transmission Lines	\$ 2,520,000	\$ 3,127,904	24%
N/FGPD MOVPB	Movable Property	\$ 3,435,000	\$ 5,053,204	47%
N/FGPD SUBSB	Replace Substation Equip	\$ 3,696,000	\$ 4,363,536	18%
	Subtotal Capital O&M	\$ 10,156,000	\$ 12,907,978	27%
Construction				
Appropriated	Multiple Projects	\$ 20,174,000	\$ 19,706,626	-2%
Prepayment	Multiple Projects	\$ 9,322,000	\$ 8,067,426	-13%
	Subtotal Construction	\$ 29,496,000	\$ 27,774,052	-6%
PPW				
N/FGPD PPW	Purchased Power & Wheeling	\$ 10,000,000	\$ 10,000,000	0%
	Subtotal PPW	\$ 10,000,000	\$ 10,000,000	0%
	Grand Total	\$ 88,028,047	\$ 87,998,698	0%



Intertie O&M

Budget Activity	Description	FY20 Work Plan	FY21 Work Plan	% Change FY20-FY21
Maintenance				
N/FGIN ADMSM	Admin Maintenance Support	\$ 509,342	\$ 99,422	-80%
N/FGIN COMMM	Communication & Control	\$ 298,429	\$ 454,457	52%
N/FGIN ENVTM	Environmental	\$ 159,618	\$ 176,171	10%
N/FGIN LINCM	Lines, Direct Hrs, No Specific Job	\$ 140,698	\$ 224,099	59%
N/FGIN LINSM	O&M of Trans Lines	\$ 237,102	\$ 391,125	65%
N/FGIN STUDM	Transmission/Engineering Studies	\$ 516,247	\$ 443,778	-14%
N/FGIN SUBCM	Subs, Direct Hrs, No Specific Job	\$ 1,537,553	\$ 1,764,565	15%
N/FGIN SUBSM	O&M of Subs & Related Facilities	\$ 2,389,160	\$ 2,659,566	11%
Total Maintenance		\$ 5,788,149	\$ 6,213,183	7%
Non-Maintenance				
N/FGIN BILLM	Power Billing	\$ 167,896	\$ 161,311	-4%
N/FGIN FINAM	Financial Management	\$ 138,999	\$ 71,716	-48%
N/FGIN GWAMM	General Western Allocation	\$ -	\$ -	N/A
N/FGIN MRKTM	Power Marketing	\$ 1,137,736	\$ 1,443,933	27%
N/FGIN SAFEM	Safety & Security	\$ 152,231	\$ 529,439	248%
N/FGIN SOLDM	Sys Ops & Load Dispatch	\$ 778,671	\$ 889,440	14%
N/FGIN SOLWM	Mead-Phoenix O&M	\$ 1,502,513	\$ 1,501,716	0%
N/FGIN SUPTM	Data Activities Charges	\$ -	\$ -	N/A
N/FGIN SVCFM	DSWR Service Facility Clearing	\$ 307,034	\$ 307,091	0%
Total Non-Maintenance		\$ 4,185,080	\$ 4,904,646	17%
Subtotal O&M		\$ 9,973,229	\$ 11,117,829	11%



Intertie Capital and PPW Program

Budget Activity	Description	FY20 Work Plan	FY21 Work Plan	% Change FY20-FY21
Replacements				
N/FGIN COMMB	Replace Comm & Control Equip	\$ -	\$ 315,841	N/A
N/FGIN LINSB	Transmission Lines	\$ 1,500,000	\$ 4,335,554	189%
N/FGIN MOVPB	Movable Property	\$ 200,000	\$ 40,000	-80%
N/FGIN SUBSB	Replace Substation Equip	\$ 1,015,000	\$ 830,144	-18%
	Subtotal RRADs	\$ 2,715,000	\$ 5,521,539	103%
Construction				
Appropriated	Multiple Projects	\$ -	\$ -	N/A
Prepayment	Multiple Projects	\$ -	\$ -	N/A
	Subtotal Construction	\$ -	\$ -	N/A
PPW				
N/FGIN PPW	Purchased Power & Wheeling	\$ 4,000,000	\$ 4,000,000	0%
	Subtotal PPW	\$ 4,000,000	\$ 4,000,000	0%
	Grand Total	\$ 16,688,229	\$ 20,639,368	24%



DSW Indirects

- Use Rates
 - Heavy Equipment
 - Transportation
- Allocations
 - Service Facility
- Clearing
 - “A” Rate – clears to all Direct Labor Hours (DLH)
 - Warehouse
 - Administrative & General Expense
 - IT Support
 - “C” Rate – clears to Capital DLH
 - Engineering Support
 - “M” Rate – clears to Maintenance DLH
 - Substation Associated Support
 - Systemwide Associated Support





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O&M Work Plan Rate Analysis

Tina Ramsey

April 3, 2019

Parker-Davis & Intertie



**Parker-Davis Project
Generation Work Plan Analysis**

Budget Activity	Description	FY19		FY20		
		Avg Annual FY19 - FY23	Contribution to Rate	Avg Annual FY20 - FY24	Contribution to Rate	% Change Avg Annual
Work Plan Maintenance						
N/FGPD ADMSM	Admin Maintenance Support	\$ -	-	\$ -	-	0%
N/FGPD COMMM	Communication & Control	14,954	0.01	19,044	0.01	27%
N/FGPD ENVTM	Environmental	-	-	-	-	0%
N/FGPD LINCM	Lines, Direct Hrs. No Specific Job	-	-	-	-	0%
N/FGPD LINSM	O&M of Trans Lines	-	-	-	-	0%
N/FGPD STUDM	Transmission/Engineering Studies	-	-	-	-	0%
N/FGPD SUBCM	Subs, Direct Hrs. No Specific Job	-	-	-	-	0%
N/FGPD SUBSM	O&M of Subs & Related Facilities	-	-	-	-	0%
Total		\$ 14,954	0.01	\$ 19,044	0.01	
Work Plan Non-Maintenance						
N/FGPD BILLM	Power Billing	\$ 461,881	0.32	\$ 413,044	0.29	-11%
N/FGPD CAREM	Conserv & Renew Energy	113,171	0.08	65,726	0.05	-42%
N/FGPD FINAM	Financial Management	106,865	0.07	100,419	0.07	-6%
N/FGPD GWAMM	General Western Allocation	-	-	-	-	0%
N/FGPD MRKTM	Power Marketing	1,857,589	1.30	1,680,175	1.18	-10%
N/FGPD SAFEM	Safety & Security	-	-	-	-	0%
N/FGPD SOLDM	Sys Ops & Load Dispatch	75,023	0.05	73,944	0.05	-1%
N/FGPD SVCFM	DSWR Service Facility Clearing	-	-	-	-	0%
Total		\$ 2,614,529	1.83	\$ 2,333,308	1.64	
Total Work Plan		\$ 2,629,483	1.85	\$ 2,352,352	1.65	-11%
WAPA Other Expenses		149,500	0.10	149,500	0.10	0%
BOR O&M		11,616,400	8.15	11,616,400	8.15	0%
BOR Replacements		1,267,000	0.89	1,267,000	0.89	0%
Purchase Power & Wheeling		2,616,000	1.84	2,616,000	1.84	0%
Principal & Interest		85,932	0.06	85,932	0.06	0%
Total Expenses		\$ 18,364,315	12.89	\$ 18,087,184	12.69	
Other Revenue		\$ 250,000	(0.18)	\$ 250,000	(0.18)	0%
Carryover Revenue		301,254	(0.21)	301,254	(0.21)	0%
Total Offsets		\$ 551,254	(0.39)	\$ 551,254	(0.39)	
Revenue Requirement		\$ 17,813,061		\$ 17,535,930		-2%
Sales (kWh)		1,425,045		1,425,045		0%
Generation Rate (mills/kWh)		12.50		12.31		-2%

**Parker-Davis Project
Transmission Work Plan Analysis**

Budget Activity	Description	FY19		FY20		
		Avg Annual FY19 - FY23	Contribution to Rate	Avg Annual FY20 - FY24	Contribution to Rate	% Change Avg Annual
Work Plan Maintenance						
N/FGPD ADMSM	Admin Maintenance Support	\$ 1,702,015	\$ 0.62	\$ 744,876	\$ 0.27	-56%
N/FGPD COMMM	Communication & Control	1,381,826	0.50	1,759,817	0.64	27%
N/FGPD ENVTM	Environmental	430,858	0.16	1,427,821	0.52	231%
N/FGPD LINCM	Lines, Direct Hrs. No Specific Job	1,426,187	0.52	1,708,785	0.62	20%
N/FGPD LINSM	O&M of Trans Lines	5,072,780	1.84	5,371,301	1.95	6%
N/FGPD STUDM	Transmission/Engineering Studies	2,174,690	0.79	2,671,111	0.97	23%
N/FGPD SUBCM	Subs, Direct Hrs. No Specific Job	3,860,011	1.40	4,274,825	1.55	11%
N/FGPD SUBSM	O&M of Subs & Related Facilities	5,391,093	1.95	6,179,652	2.24	15%
		\$ 21,439,460	\$ 7.77	\$ 24,138,188	\$ 8.75	
Work Plan Non-Maintenance						
N/FGPD BILLM	Power Billing	\$ 859,612	\$ 0.31	\$ 573,672	\$ 0.21	-33%
N/FGPD CAREM	Conserv & Renew Energy	-	-	-	-	0%
N/FGPD FINAM	Financial Management	198,888	0.07	139,473	0.05	-30%
N/FGPD GWAMM	General Western Allocation	-	-	-	-	0%
N/FGPD MRKTM	Power Marketing	2,095,901	0.76	1,611,307	0.58	-23%
N/FGPD SAFEM	Safety & Security	870,187	0.32	675,357	0.24	-22%
N/FGPD SOLDM	Sys Ops & Load Dispatch	7,723,866	2.80	7,583,110	2.75	-2%
N/FGPD SVCFM	DSWR Service Facility Clearing	1,322,570	0.48	1,362,695	0.49	3%
		\$ 13,071,024	\$ 4.74	\$ 11,945,614	\$ 4.33	
Total Work Plan		\$ 34,510,484	\$ 12.51	\$ 36,083,802	\$ 13.08	5%
Other Expenses		(65,257)	(0.02)	(65,257)	(0.02)	0%
Purchase Power & Wheeling		1,900,000	0.69	1,900,000	0.69	0%
Principal & Interest		25,193,767	9.13	25,193,767	9.13	0%
	Total Expenses	\$ 61,538,994	\$ 22.31	\$ 63,112,312	\$ 22.88	
Other Revenue		\$ 8,982,031	\$ (3.26)	\$ 8,982,031	\$ (3.26)	0%
Carryover Revenue		919,715	(0.33)	919,715	(0.33)	0%
	Total Offsets	\$ 9,901,746	\$ (3.59)	\$ 9,901,746	\$ (3.59)	
Revenue Requirement		\$ 51,637,248		\$ 53,210,566		3%
Sales (kW)		2,758,400		2,758,400		0%
Transmission Rate (kW-Year)		\$ 18.72		\$ 19.28		3%

Intertie Project Work Plan Analysis

Budget Activity	Description	FY20		FY21		% Change Amount
		Amount	Contribution to Rate	Amount	Contribution to Rate	
Work Plan Maintenance						
N/FGIN ADMSM	Admin Maintenance Support	\$ 509,342	\$ 0.33	\$ 99,422	\$ 0.06	-80%
N/FGIN COMMM	Communication & Control	298,429	0.19	454,457	0.30	52%
N/FGIN ENVTM	Environmental	159,619	0.10	176,171	0.12	10%
N/FGIN LINCM	Lines, Direct Hrs. No Specific Job	140,698	0.09	224,099	0.15	59%
N/FGIN LINSM	O&M of Trans Lines	237,102	0.15	391,125	0.26	65%
N/FGIN STUDM	Transmission/Engineering Studies	516,248	0.34	443,778	0.29	-14%
N/FGIN SUBCM	Subs, Direct Hrs. No Specific Job	1,537,554	1.00	1,764,565	1.15	15%
N/FGIN SUBSM	O&M of Subs & Related Facilities	2,389,160	1.56	2,659,566	1.74	11%
		\$ 5,788,152	\$ 3.78	\$ 6,213,183	\$ 4.06	
Work Plan Non-Maintenance						
N/FGIN BILLM	Power Billing	\$ 167,896	\$ 0.11	\$ 161,311	\$ 0.11	-4%
N/FGIN FINAM	Financial Management	139,000	0.09	71,716	0.05	-48%
N/FGIN GWAMM	General Western Allocation	-	-	-	-	-
N/FGIN MRKTM	Power Marketing	1,137,737	0.74	1,443,933	0.94	27%
N/FGIN SAFEM	Safety & Security	152,232	0.10	529,439	0.35	248%
N/FGIN SOLDM	Sys Ops & Load Dispatch	778,671	0.51	889,440	0.58	14%
N/FGIN SOLWM	Mead-Phoenix O&M	1,502,514	0.98	1,501,716	0.98	0%
N/FGIN SVCFM	DSWR Service Facility Clearing	307,035	0.20	307,091	0.20	0%
		\$ 4,185,085	\$ 2.73	\$ 4,904,647	\$ 3.20	
Total Work Plan		\$ 9,973,237	\$ 6.52	\$ 11,117,829	\$ 7.26	11%
Other Expenses		702,830	0.46	702,830	0.46	0%
Purchase Power & Wheeling		3,600,000	2.35	3,600,000	2.35	0%
Principal & Interest		25,898,139	16.92	25,898,139	16.92	0%
	Total Expenses	\$ 40,174,206	\$ 26.24	\$ 41,318,798	\$ 26.99	
Other Revenue		\$ 10,600,000	\$ (6.92)	\$ 10,600,000	\$ (6.92)	0%
Revenue Requirement		\$ 29,574,206		\$ 30,718,798		4%
Sales (kW)		1,530,756		1,530,756		0%
Transmission Rate (kW-Year)		\$ 19.32		\$ 20.07		4%



Western
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Prepayment Cash Flow

Jennifer Hultsch

April 3, 2019

Parker-Davis & Intertie



**Parker-Davis & Intertie
Fiscal Years (FY) 2019 Through 2028 Forecast**

	Beg Bal	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Prepayment Inflows	62,917,172	68,448,463	68,448,463	68,448,463	68,448,463	68,448,463	68,448,463	68,448,463	68,448,463	68,448,463	68,448,463
Outflows											
O&M Budget	-	46,893,960	50,358,014	51,365,174	52,392,478	53,440,327	54,509,134	55,599,317	56,711,303	57,845,529	59,002,440
Capital O&M (RRADs) Budget	-	-	-	-	-	-	-	-	-	-	-
Construction	-	17,681,000	26,786,000	27,786,000	13,900,000	26,326,000	22,854,000	22,152,000	25,000,000	25,000,000	25,000,000
Total Outflows	-	64,574,960	77,144,014	79,151,174	66,292,478	79,766,327	77,363,134	77,751,317	81,711,303	82,845,529	84,002,440
Net Prepayment Total	62,917,172	3,873,503	(8,695,551)	(10,702,711)	2,155,985	(11,317,864)	(8,914,671)	(9,302,854)	(13,262,840)	(14,397,066)	(15,553,977)
Non-Prepayment Inflows	-	26,991,000	26,991,000	26,991,000	26,991,000	26,991,000	26,991,000	26,991,000	26,991,000	26,991,000	26,991,000
Outflows											
Purchased Power Expense	-	9,788,000	9,788,000	9,788,000	9,788,000	9,788,000	9,788,000	9,788,000	9,788,000	9,788,000	9,788,000
Transfers Within Western - 45910 (Line Loss)	-	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
Total Outflows	-	10,018,000	10,018,000	10,018,000	10,018,000	10,018,000	10,018,000	10,018,000	10,018,000	10,018,000	10,018,000
Net Non-Prepayment Total	-	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000
Return to Treasury	-	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000	16,973,000
Net Cash	62,917,172	3,873,503	(8,695,551)	(10,702,711)	2,155,985	(11,317,864)	(8,914,671)	(9,302,854)	(13,262,840)	(14,397,066)	(15,553,977)
End of Year Cash	62,917,172	66,790,675	58,095,124	47,392,412	49,548,398	38,230,533	29,315,862	20,013,009	6,750,169	(7,646,897)	(23,200,874)
Unobligated Balance Strategy											
3 years construction	70,480,000	68,472,000	68,012,000	63,080,000	71,332,000	61,032,000	54,204,000	80,130,000	75,000,000	75,000,000	75,000,000
O&M 111 days	14,458,971	15,527,054	15,837,595	16,154,347	16,477,434	16,806,983	13,765,461	14,040,770	14,321,586	14,608,017	14,900,178
Unobligated Balance Strategy Total	84,938,971	83,999,054	83,849,595	79,234,347	87,809,434	77,838,983	67,969,461	94,170,770	89,321,586	89,608,017	89,900,178



Cash Flow Summary

- Cash balances continue to decline
 - Current state – Negative cash in FY27
 - Declining appropriations possibly requiring use of Prepayments for Capital O&M – Negative cash in FY26
- No access to non-prepayment funds
 - Only used for Purchased Power
 - Unable to use ~\$16M/year due to no Net Zero authority
- What happens next?
 - Adjust capital plans – Construction & Capital O&M
 - Identify alternative funding sources
 - Revisit use of some Net Zero authority



Questions?

Colin Marquez

Vice President of Budget & Analysis

CMarquez@wapa.gov

720-962-7434

Jennifer Hultsch

Supervisory Budget Analyst

Hultsch@wapa.gov

602-605-2600

Tina Ramsey

Rates Manager

Ramsey@wapa.gov

602-605-2565

Please submit comments to:

Hultsch@wapa.gov

