

BOULDER CANYON PROJECT



Public Information Forum
March 26, 2014

Handout



Comparison of Three (3) Fiscal Years Impacting FY 2015 Base Charge			
	Actual FY 2013 Base Charge \$	Revised Estimates FY 2014 Base Charge \$	Estimates FY 2015 Proposed Base Charge \$
Reclamation's O&M Program			
Operations	5,681,804	6,374,000	6,753,000
Maintenance	14,201,060	16,161,000	16,215,000
A&GE	12,555,282	17,869,000	17,930,000
A&GE Adjusted for Refund	(496,234)	(300,000)	(300,000)
Subtotal	12,059,048	17,569,000	17,630,000
Extraordinary Maintenance	7,185,793	6,192,000	5,015,000
Subtotal	39,127,705	46,296,000	45,613,000
Post Civil Service Retirement/Life/Health	1,377,776	1,805,810	1,518,340
Subtotal O&M Program	40,505,481	48,101,810	47,131,340
Replacements	10,386,694	8,354,000	10,245,000
Reclamation OM&R	50,892,175	56,455,810	57,376,340
Western's O&M Program			
Facility Expenses	2,168,203	2,341,743	2,364,991
Systemwide Expenses	2,382,871	3,820,303	4,125,829
Subtotal	4,551,074	6,162,046	6,490,820
Post Civil Service Retirement/Life/Health	161,698	223,190	187,660
Subtotal O&M Program	4,712,772	6,385,236	6,678,480
Replacements	784,669	400,000	777,500
Western OM&R	5,497,441	6,785,236	7,455,980
Total O&M Program	46,002,923	54,887,046	54,587,320
Total OM&R	56,389,617	63,241,046	64,832,320
Other Expenses			
Visitor Center	7,498,685	7,156,000	8,023,000
Payments to States - Reclamation	600,000	600,000	600,000
Upgrading Payments - Interest	3,962,636	3,375,635	2,636,723
Upgrading Payments - Principal	11,058,222	11,348,748	12,008,240
Debt Service Investments - Interest	11,179,372	5,149,271	635,653
Other Interest (CME and Warehouse)	10,188	12,000	12,000
Debt Service Investments - Principal Payments	1,910,139	2,013,335	2,123,637
VF and AS - Principal Payments Pay off		123,970,868	
Subtotal Other Annual Expenses	36,219,242	153,625,857	26,039,253
Total Expenses	92,608,859	216,866,903	90,871,573
Prior Year end Carryover	13,062,332	18,691,071	15,883,055
VF & AS investment pay off Revenues		123,970,868	
Other Revenues			
Reclamation Visitor Center	12,970,702	12,000,000	12,000,000
Reclamation - Miscellaneous	129,578	0	0
Western - Ancillary Services	1,240,167	1,450,000	1,450,000
Western - Miscellaneous	711,193		
Subtotal Other Revenues	15,051,641	13,450,000	13,450,000
Water Sales Revenues	599,094	530,000	530,000
Base Charge/Revenue Requirement	63,895,791	60,224,964	61,008,518
Net of Revenues - Expenses	18,483,846	15,883,055	0
Change in UDO's	29,515	0	0
Change in AR	(236,741)	0	0
FY's Cash Available for Year End Carryovers	18,691,071	15,883,055	0

Comparison of FY 2013 Actual and Approved			
	Approved FY 2013 Base Charge \$	Actual FY 2013 Base Charge \$	Changes \$
Reclamation's O&M Program			
Operations	7,004,000	5,681,804	(1,322,196)
Maintenance	16,714,000	14,201,060	(2,512,940)
A&GE	15,128,000	12,555,282	(2,572,718)
A&GE Adjusted for Refund	(515,000)	(496,234)	18,766
Subtotal	14,613,000	12,059,048	(2,553,952)
Extraordinary Maintenance	7,064,000	7,185,793	121,793
Subtotal	45,395,000	39,127,705	(6,267,295)
Post Civil Service Retirement/Life/Health	2,035,430	1,377,776	(657,654)
Subtotal O&M Program	47,430,430	40,505,481	(6,924,949)
Replacements	10,142,000	10,386,694	244,694
Reclamation OM&R	57,572,430	50,892,175	(6,680,255)
Western's O&M Program			
Facility Expenses	1,987,586	2,168,203	180,617
Systemwide Expenses	2,531,041	2,382,871	(148,170)
Subtotal	4,518,627	4,551,074	32,447
Post Civil Service Retirement/Life/Health	251,570	161,698	(89,872)
Subtotal O&M Program	4,770,197	4,712,772	(57,425)
Replacements	1,325,970	784,669	(541,301)
Western OM&R	6,096,167	5,497,441	(598,726)
Total O&M Program	53,526,597	46,002,923	(7,523,675)
Total OM&R	63,668,597	56,389,617	(7,278,981)
Other Expenses			
Visitor Center	8,623,000	7,498,685	(1,124,315)
Payments to States - Reclamation	600,000	600,000	0
Upgrading Payments - Interest	4,169,414	3,962,636	(206,778)
Upgrading Payments - Principal	11,001,787	11,058,222	56,435
Debt Service Investments - Interest	10,863,350	11,179,372	316,022
Other Interest (CME and Warehouse)	12,000	10,188	(1,812)
Debt Service Investments - Principal Payments	1,910,139	1,910,139	0
Subtotal Other Annual Expenses	37,179,690	36,219,242	(960,448)
Total Expenses	100,848,288	92,608,859	(8,239,429)
Prior Yearend Carryover	4,488,651	13,062,332	8,573,681
Other Revenues			
Reclamation - Visitor Center	12,000,000	12,970,702	970,702
Reclamation - Miscellaneous	0	129,578	129,578
Western - Ancillary Services	1,450,000	1,240,167	(209,833)
Western - Miscellaneous	0	711,193	711,193
Subtotal Other Revenues	13,450,000	15,051,641	1,601,640
Water Sales Revenues	530,000	599,094	69,094
Base Charge/Revenue Requirement	82,379,637	63,895,791	(18,483,846)
Net of Total Revenues - Total Expenses			18,483,846
Change in UDO's		(29,515)	(29,515)
Change in AR		236,741	236,741
Cash Available at Yearend			\$18,691,071

Bureau of Reclamation FY 2013 Explanations:

Operations: - \$1,322,196, Decreased expenditures primarily due to lower than anticipated costs for Salaries/Benefits/Overhead and Region/Denver/Other office charges (Sequestration).

Maintenance: - \$2,512,940, Decreased expenditures primarily due to lower than anticipated costs for Salaries/Benefits/Overhead (Sequestration), Services (Campaign to Cut Waste Executive Order) and unused Unscheduled Necessary Work funds.

A&GE: - \$2,553,952, Decreased expenditures primarily due to lower than anticipated costs for Salaries/Benefits/Overhead (Sequestration), contract funds obligated but scheduled for expenditure in FY14, and an accounting change in how OWCP accruals are booked (FBMS - no longer at the project level).

Extraordinary Maintenance: + \$121,793, Increased expenditures primarily due to additional funds reprogrammed for various projects.

Replacements: + \$244,694, Increased expenditures primarily due to expenditure of prior-year obligations.

Visitor Center: - \$1,124,315, Decreased expenditures primarily due to Shared Costs adjustment from A&GE.

Western's FY 2013 Explanations:

Facility Expenses: + \$180,617, Increased expenditures due to Hoover rooftop instrument transformer replacements and higher than expected costs for payroll and contract services.

Systemwide Expenses: - \$148,170, Decreased expenditures due to lower than expected costs for payroll and contract services.

Replacements: - \$541,301, Decreased due to the NERC Facility Ratings Mitigation and Hoover Mead Transmission Line Erosion projects were not completed in FY13.

Upgrading Program Interest: - \$206,778, Principal + \$56,435, These changes resulted from the FY 2013 Statement of Credit Differences.

Debt Service Interest Expense: \$316,022, Increased due to the principal payments true-up and related interest as presented at the May 2013 E&OC meeting.

Comparison of FY 2014 Estimates			
	Approved FY 2014 Base Charge \$	Revised Estimates FY 2014 Base Charge \$	Changes \$
Reclamation's O&M Program			
Operations	6,374,000	6,374,000	0
Maintenance	16,161,000	16,161,000	0
A&GE	17,869,000	17,869,000	0
A&GE - Adjusted for Refund	(300,000)	(300,000)	0
Subtotal	17,569,000	17,569,000	0
Extraordinary Maintenance	6,192,000	6,192,000	0
Subtotal	46,296,000	46,296,000	0
Post Civil Service Retirement/Life/Health	1,805,810	1,805,810	0
Subtotal O&M Program	48,101,810	48,101,810	0
Replacements	8,354,000	8,354,000	0
Reclamation OM&R	56,455,810	56,455,810	0
Western's O&M Program			
Facility Expenses	2,341,743	2,341,743	0
Systemwide Expenses	3,820,303	3,820,303	0
Subtotal	6,162,046	6,162,046	0
Post Civil Service Retirement/Life/Health	223,190	223,190	0
Subtotal O&M Program	6,385,236	6,385,236	0
Replacements	400,000	400,000	0
Western OM&R	6,785,236	6,785,236	0
Total O&M Program	54,887,046	54,887,046	0
Total OM&R	63,241,046	63,241,046	0
Other Expenses			
Visitor Center	7,156,000	7,156,000	0
Payments to States - Reclamation	600,000	600,000	0
Upgrading Payments - Interest	3,381,326	3,375,635	(5,691)
Upgrading Payments - Principal	11,642,301	11,348,748	(293,553)
Debt Service Investments - Interest	10,806,037	5,149,271	(5,656,766)
Other Interest (CME and Warehouse)	12,000	12,000	0
Debt Service Investments - Principal Payments	2,013,335	2,013,335	0
VF & AS Investment Principal Payment Pay off		123,970,868	123,970,868
Subtotal Other Annual Expenses	35,610,999	153,625,857	118,014,858
Total Expenses	98,852,044	216,866,903	118,014,858
Prior Yearend Carryover	8,764,025	18,691,071	9,927,046
VF & AS Investment Pay off Revenues		123,970,868	123,970,868
Other Revenues			
Reclamation - Visitor Center	12,000,000	12,000,000	0
Western - Ancillary Services	1,450,000	1,450,000	0
Subtotal Other Revenues	13,450,000	13,450,000	0
Water Sales Revenues	530,000	530,000	0
Base Charge/Revenue Requirement	76,108,019	60,224,964	(15,883,055)
FY 2014 Cash Available for Year End Carryover			(15,883,055)

FY 2014 Explanations:

Upgrading Program: - \$299,244, Decreased due to the change in Upgrading Program is a result of Statement of Credit Differences and new annual Credit Schedules August 2013.

Debt Service Interest Expense: - \$5,656,766, Decreased due to Visitor Facility and Air slots pay off was completed as planned on March 12, 2014, the FY 2014 interest is reduced creating additional carryover in FY 2015.

Pay off: + \$123,970,868, Increased principal payments due to Visitor Facility and Air Slots investments were paid off on March 12, 2014

Comparison of Proposed FY 2015 Estimates and Approved FY 2014 Estimates			
	Approved FY 2014 Base Charge \$	Estimates FY 2015 Proposed Base Charge \$	Changes \$
Reclamation's O&M Program			
Operations	6,374,000	6,753,000	379,000
Maintenance	16,161,000	16,215,000	54,000
A&GE	17,869,000	17,930,000	61,000
A&GE Adjusted for Refund	(300,000)	(300,000)	0
Subtotal	17,569,000	17,630,000	61,000
Extraordinary Maintenance	6,192,000	5,015,000	(1,177,000)
Subtotal	46,296,000	45,613,000	(683,000)
Post Civil Service Retirement/Life/Health	1,805,810	1,518,340	(287,470)
Subtotal O&M Program	48,101,810	47,131,340	(970,470)
Replacements	8,354,000	10,245,000	1,891,000
Reclamation OM&R	56,455,810	57,376,340	920,530
Western's O&M Program			
Facility Expenses	2,341,743	2,364,991	23,248
Systemwide Expenses	3,820,303	4,125,829	305,526
Subtotal	6,162,046	6,490,820	328,774
Post Civil Service Retirement/Life/Health	223,190	187,660	(35,530)
Subtotal O&M Program	6,385,236	6,678,480	293,244
Replacements	400,000	777,500	377,500
Western OM&R	6,785,236	7,455,980	670,744
Total O&M Program	54,887,046	54,587,320	(299,726)
Total OM&R	63,241,046	64,832,320	1,591,274
Other Expenses			
Visitor Center	7,156,000	8,023,000	867,000
Payments to States - Reclamation	600,000	600,000	0
Upgrading Payments - Interest	3,381,326	2,636,723	(744,603)
Upgrading Payments - Principal	11,642,301	12,008,240	365,939
Debt Service Investments - Interest	10,806,037	635,653	(10,170,384)
Other Interest (CME and Warehouse)	12,000	12,000	0
Debt Service Investments - Principal Payments	2,013,335	2,123,637	110,302
Subtotal Other Annual Expenses	35,610,999	26,039,253	(9,571,746)
Total Expenses	98,852,044	90,871,573	(7,980,472)
Prior Yearend Carryover	8,764,025	15,883,055	7,119,030
Other Revenues:			
Reclamation	12,000,000	12,000,000	0
Western	1,450,000	1,450,000	0
Subtotal Other Revenues	13,450,000	13,450,000	0
Water Sales Revenues	530,000	530,000	0
Base Charge/Revenue Requirement	76,108,019	61,008,518	
Proposed decrease to FY 2015 Base Charge			(15,099,501)

Bureau of Reclamation Approved FY 2014 to Proposed FY 2015 Explanations:

Operations: + \$379,000, Increased estimate due to adjustment in Salaries/Benefits/Overhead and the addition of a comprehensive facility review.

Maintenance: + \$54,000, Increased estimate is primarily due to the Drum Gate Repair & Component Replacement force account adjustment.

A&GE: + \$61,000, Increased estimate is primarily due to IT equipment replacement costs and the Drum Gate Repair & Component Replacement force account adjustment.

Extraordinary Maintenance: - \$1,177,000, Decreased estimate is primarily due to reduced or no contract work for the PRV Overhauls, Power Plant Piping Management Plan, Spare Exciter Rotor Inspection & Repair, Paradox Valve Repairs, Crane Inspection & Repair, and Turbine Shift Ring Refurbishment. Decrease was partially offset by the following projects' increase or new contract work: Penstock Lateral Spot Coating, Generator Life Extension and Turbine Pit Area Machining.

Replacements: + \$1,891,000, Increased estimate is primarily due to the following projects' increase or new contract work: Rebuild or Replace Generator Coolers, Stainless Steel Wicket Gates, Cylinder Gate Stem, A2/A4/A7 PRV Modernization, Telephone System, Escalator Replacement, and 16.5 kV Generator Breaker. Increase was partially offset by the following projects' reduced or no contract work: Drum Gate Components, Wide Head Range Turbine, Elevator Motor and Controller, Fire Alarm Panel, A8 Wide Head Turbine, PRV Modernization, Station Service Pelton Turbine, and Electrical Panel.

Visitor Center: + \$867,000, Increased estimate is primarily due to additional maintenance requirements for the Spillway House and photo contract.

Western's Approved FY 2014 to Proposed FY 2015 Explanations:

Facility Expenses: + \$23,248, Increased due to environmental, Phase II of NERC mitigation, and changes to the Security Contract.

Systemwide Expenses: + \$305,526, Increased due to additional labor and the meter integration hardware/software in G6300.

RRADS: + \$377,500, Increased due to the Hoover-Mead TL Hardware and 2 new projects in 2015, 1) Mead BUS CCVT/CT Foundation and 2) 230/69 KV KW17A Transformer Relay.

Upgrading Program: - \$378,664, Net Decrease, this change is the result of new FY Credit Schedules dated August 2013.

Debt Service Interest Expense: - \$10,170,384, Decreased due to Visitor Facility and Air Slots pay off was completed as planned on March 12, 2014. The FY 2015 debt service and interest is no longer included in the proposed FY 2015 Base Charge and has been paid off in the PRS.

Comparison of FY 2015 Proposed Base Charge and FY 2014 Approved Base Charge				
	Approved FY 2014 Base Charge	Proposed FY 2015 Base Charge	Changes	Changes %
BASE CHARGE (REVENUE REQUIREMENTS)	\$76,108,019	\$61,008,518	-\$15,099,501	-19.84%
COMPOSITE RATE (Mills/kWh)	20.18	16.36	-3.82	-18.92%
ENERGY RATE (Mills/kWh)	10.09	8.18	-1.91	-18.92%
Energy Sales mWh	3,770,993	3,728,190	-42,803	-1.14%
CAPACITY RATE (\$/kW/Month)	\$1.87	\$1.61	-\$0.27	-14.27%
Capacity Sales	1,693,667	1,583,667	-110,000	-6.49%

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