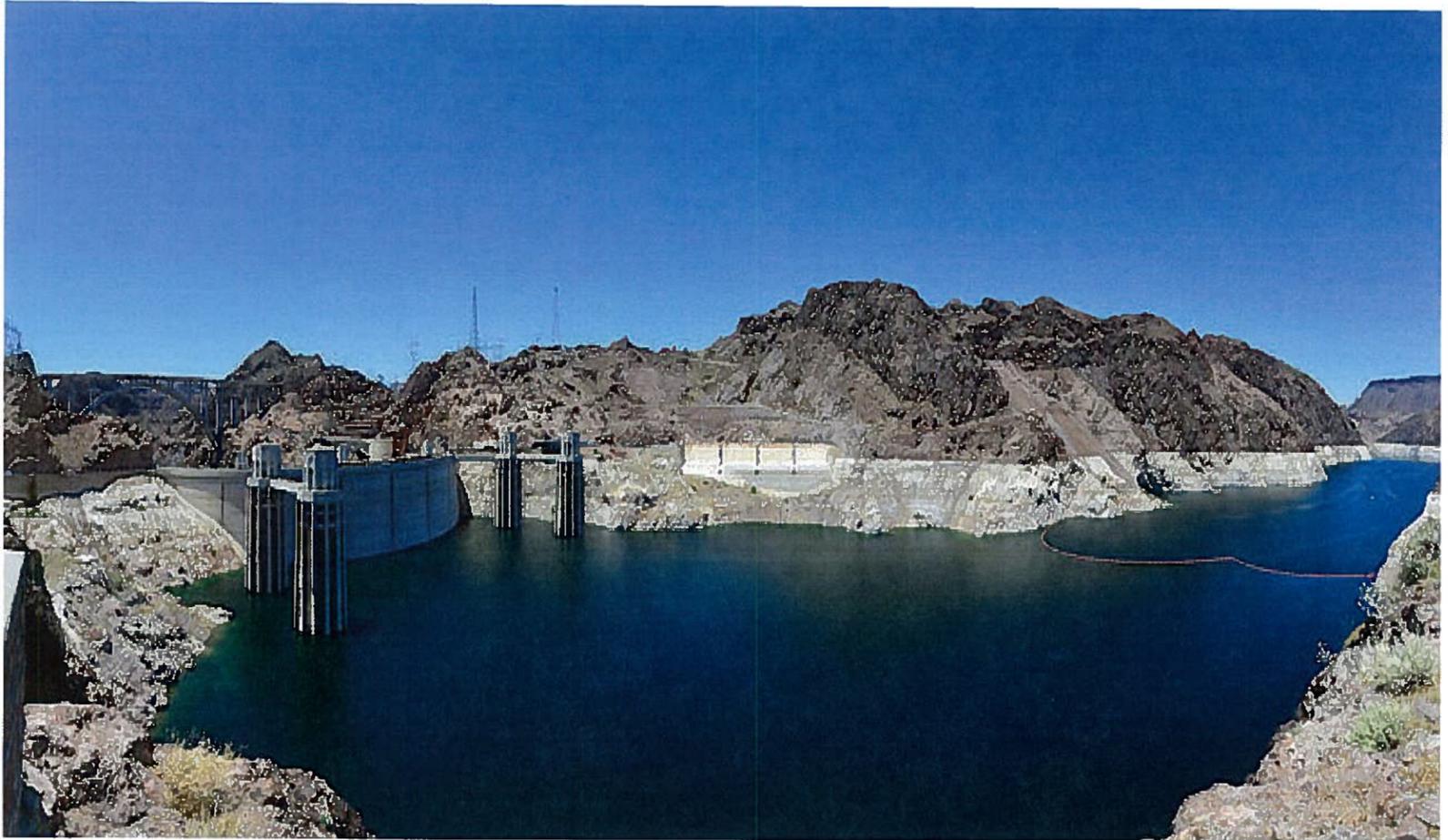


# ***BOULDER CANYON PROJECT***



***Public Information Forum***  
***March 27, 2013***

***Handout***



**Comparison of Three (3) Fiscal Years Impacting FY 2014 Base Charge**

	<b>Actual FY 2012 Base Charge \$</b>	<b>Revised Estimates FY 2013 Base Charge \$</b>	<b>Estimates FY 2014 Proposed Base Charge \$</b>
<b>Reclamation's O&amp;M Program</b>			
Operations	5,514,782	7,004,000	6,374,000
Maintenance	14,477,529	16,714,000	16,161,000
A&GE	16,182,205	15,128,000	17,869,000
A&GE Adjusted for Refund	(80,381)	(515,000)	(300,000)
Subtotal	16,101,824	14,613,000	17,569,000
Extraordinary Maintenance	5,656,149	7,064,000	6,192,000
Subtotal	41,750,284	45,395,000	46,296,000
Post Civil Service Retirement/Life/Health	1,472,518	2,035,430	1,805,810
Subtotal O&M Program	43,222,802	47,430,430	48,101,810
Replacements	6,329,748	10,142,000	8,354,000
Reclamation OM&R	49,552,550	57,572,430	56,455,810
<b>Western's O&amp;M Program</b>			
Facility Expenses	2,208,509	2,117,586	2,441,742
Systemwide Expenses	2,341,964	2,521,041	3,720,304
Subtotal	4,550,473	4,638,627	6,162,046
Post Civil Service Retirement/Life/Health	176,075	251,570	223,190
Subtotal O&M Program	4,726,548	4,890,197	6,385,236
Replacements	388,316	1,165,970	400,000
Western OM&R	5,114,864	6,056,167	6,785,236
Total O&M Program	48,337,666	53,486,597	54,887,046
Total OM&R	54,667,414	63,628,597	63,241,046
<b>Other Expenses</b>			
Visitor Center	6,777,063	8,623,000	7,156,000
Payments to States - Reclamation	600,000	600,000	600,000
Uprating Payments - Interest	4,872,558	3,962,636	3,381,326
Uprating Payments - Principal	10,436,524	11,058,222	11,642,301
Debt Service Investments - Interest	10,870,781	10,863,350	10,806,037
Other Interest (CME and Warehouse)	10,152	12,000	12,000
Debt Service Investments - Principal Payments	1,931,322	1,910,139	2,013,335
Subtotal Other Annual Expenses	35,498,400	37,029,347	35,610,999
<b>Total Expenses</b>	<b>90,165,813</b>	<b>100,657,945</b>	<b>98,852,044</b>
<b>Prior Year end Carryover</b>	<b>7,384,216</b>	<b>13,062,332</b>	<b>8,764,025</b>
<b>Other Revenues</b>			
<b>Reclamation Visitor Center</b>	<b>13,523,145</b>	<b>12,000,000</b>	<b>12,000,000</b>
<b>Reclamation - Miscellaneous</b>	<b>147,048</b>	<b>0</b>	<b>0</b>
<b>Western - Ancillary Services</b>	<b>1,602,623</b>	<b>1,450,000</b>	<b>1,450,000</b>
<b>Western - Miscellaneous</b>	<b>54,799</b>		
Subtotal Other Revenues	<b>15,327,614</b>	<b>13,450,000</b>	<b>13,450,000</b>
<b>Water Sales Revenues</b>	<b>601,130</b>	<b>530,000</b>	<b>530,000</b>
<b>Base Charge/Revenue Requirement</b>	<b>66,852,852</b>	<b>73,615,612</b>	<b>76,108,019</b>
<b>Net of Total Revenues - Total Expenses</b>	<b>17,683,920</b>	<b>8,764,025</b>	<b>0</b>
<b>Change in UDO's</b>	<b>3,995,301</b>	<b>0</b>	<b>0</b>
<b>Net Change in AR</b>	<b>626,286</b>	<b>0</b>	<b>0</b>
<b>FY 2012 Cash Available for Year End Carryover</b>	<b>13,062,332</b>	<b>8,764,025</b>	<b>0</b>

Comparison of FY 2012 Actual and Approved			
	Approved FY 2012 Base Charge \$	Actual FY 2012 Base Charge \$	Changes \$
<b>Reclamation's O&amp;M Program</b>			
Operations	5,818,000	5,514,782	(303,218)
Maintenance	16,506,000	14,477,529	(2,028,471)
A&GE	16,818,000	16,182,205	(635,795)
A&GE Adjusted for Refund	(592,000)	(80,381)	511,619
Subtotal	16,226,000	16,101,824	(124,176)
Extraordinary Maintenance	5,508,000	5,656,149	148,149
Subtotal	44,058,000	41,750,284	(2,307,716)
Post Civil Service Retirement/Life/Health	1,420,440	1,472,518	52,078
Subtotal O&M Program	45,478,440	43,222,802	(2,255,638)
Replacements	12,119,000	6,329,748	(5,789,252)
Reclamation OM&R	57,597,440	49,552,550	(8,044,890)
<b>Western's O&amp;M Program</b>			
Facility Expenses	1,950,896	2,208,509	257,613
Systemwide Expenses	2,545,749	2,341,964	(203,785)
Subtotal	4,496,645	4,550,473	53,828
Post Civil Service Retirement/Life/Health	175,560	176,075	515
Subtotal O&M Program	4,672,205	4,726,548	54,343
Replacements	865,000	388,316	(476,684)
Western OM&R	5,537,205	5,114,864	(422,341)
Total O&M Program	51,015,645	48,337,666	(2,677,979)
Total OM&R	63,134,645	54,667,414	(8,467,231)
<b>Other Expenses</b>			
Visitor Center	8,947,000	6,777,063	(2,169,937)
Other Expenses - Adjusted for Refund	(52,000)	0	52,000
Subtotal	8,895,000	6,777,063	(2,117,937)
Payments to States - Reclamation	600,000	600,000	0
Uprating Payments - Interest	4,665,693	4,872,558	206,865
Uprating Payments - Principal	10,437,582	10,436,524	(1,058)
Debt Service Investments - Interest	10,921,290	10,870,781	(50,509)
Other Interest (CME and Warehouse)	9,433	10,152	719
Debt Service Investments - Principal Payments	1,931,330	1,931,322	(8)
Subtotal Other Annual Expenses	37,460,328	35,498,400	(1,961,928)
<b>Total Expenses</b>	<b>100,594,973</b>	<b>90,165,813</b>	<b>(10,429,159)</b>
<b>Prior Yearend Carryover</b>	<b>2,357,201</b>	<b>7,384,216</b>	<b>5,027,015</b>
<b>Other Revenues</b>			
Reclamation - Visitor Center	12,000,000	13,523,145	1,523,145
Reclamation - Miscellaneous		147,048	147,048
Western - Ancillary Services	1,171,000	1,602,623	431,623
Western - Miscellaneous		54,799	54,799
Subtotal Other Revenues	13,171,000	15,327,614	2,156,615
<b>Water Sales Revenues</b>	<b>530,000</b>	<b>601,130</b>	<b>71,130</b>
<b>Base Charge/Revenue Requirement</b>	<b>84,536,772</b>	<b>66,852,852</b>	<b>(17,683,920)</b>
<b>Net of Total Revenues - Total Expenses</b>			<b>17,683,920</b>
<b>Change in UDO's</b>	<b>0</b>	<b>3,995,301</b>	<b>3,995,301</b>
<b>Net Change in AR</b>	<b>0</b>	<b>626,286</b>	<b>626,286</b>
<b>Cash Available for Yearend Carryover</b>	<b>0</b>		<b>\$13,062,332</b>

**Bureau of Reclamation FY 2012 Explanations:**

Operations: Decreased expenditures primarily due to lower than anticipated costs for Salaries/Benefits/Overhead, Overtime, and Relocation.

Maintenance: Decreased expenditures primarily due to lower than anticipated costs for Salaries/Benefits/Overhead, unused Unscheduled Necessary Work funds, and Quagga Mussel funds obligated but scheduled for expenditure in FY13.

A&GE: Decreased expenditures primarily due to lower than anticipated costs for Salaries/Benefits/Overhead.

Extraordinary Maintenance: Increased expenditures primarily due to additional funds reprogrammed for Paradox Gate Repairs.

Replacements: Decreased expenditures primarily due to lower bids for Station Service Transfer Bus Breaker reserved for carryover; and funds obligated but scheduled for expenditure in FY13 for the following large ticketed items: A8 Wide Head Turbine, Station Service Transfer Bus Breaker, and PRV Modernization.

Visitor Center: Decreased expenditures primarily due to Shared Costs adjustment from A&GE.

**Western's FY 2012 Explanations:**

Facility Expenses: Increased by \$258k due to Mead Common Facilities Expenses of \$281k not in original expenses. This was partially offset by a lower than estimated cost for Transmission Line Maintenance, Communication System Support and Phoenix Service Center.

Systemwide Expenses: Decreased by \$204k as a result of \$50k being reprogrammed to Facility Expenses for Mead Common Facilities. In addition, other work in Conservation & Renewable Energy and Financial Management was budgeted that did not get completed.

Replacements: Decreased by \$477k due to work being obligated and not expensed for Line Erosion and Facilities Rating

Comparison of FY 2013 Estimates			
	Approved FY 2013 Base Charge \$	Revised Estimates FY 2013 Base Charge \$	Changes \$
<b>Reclamation's O&amp;M Program</b>			
Operations	7,004,000	7,004,000	0
Maintenance	16,714,000	16,714,000	0
A&GE	15,128,000	15,128,000	0
A&GE - Adjusted for Refund	(515,000)	(515,000)	0
Subtotal	14,613,000	14,613,000	0
Extraordinary Maintenance	7,064,000	7,064,000	0
Subtotal	45,395,000	45,395,000	0
Post Civil Service Retirement/Life/Health	2,035,430	2,035,430	0
Subtotal O&M Program	47,430,430	47,430,430	0
Replacements	10,142,000	10,142,000	0
Reclamation OM&R	57,572,430	57,572,430	0
<b>Western's O&amp;M Program</b>			
Facility Expenses	1,987,586	2,117,586	130,000
Systemwide Expenses	2,531,041	2,521,041	(10,000)
Subtotal	4,518,627	4,638,627	120,000
Post Civil Service Retirement/Life/Health	251,570	251,570	0
Subtotal O&M Program	4,770,197	4,890,197	120,000
Replacements	1,325,970	1,165,970	(160,000)
Western OM&R	6,096,167	6,056,167	(40,000)
Total O&M Program	53,526,597	53,486,597	(40,000)
Total OM&R	63,668,597	63,628,597	(40,000)
<b>Other Expenses</b>			
Visitor Center	8,623,000	8,623,000	0
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	10,863,350	0
Other Interest (CME and Warehouse)	12,000	12,000	0
Debt Service Investments - Principal Payments	1,910,139	1,910,139	0
Subtotal Other Annual Expenses	37,179,690	37,029,347	(150,343)
<b>Total Expenses</b>	<b>100,848,288</b>	<b>100,657,945</b>	<b>(190,343)</b>
<b>Prior Yearend Carryover</b>	<b>4,488,651</b>	<b>13,062,332</b>	<b>8,573,681</b>
<b>Other Revenues</b>			
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
<b>Base Charge/Revenue Requirement</b>	<b>82,379,637</b>	<b>73,615,612</b>	<b>(8,764,025)</b>

**Western's FY 2013 Explanations:**

Facility Expenses: Increased \$130k due to Mead Common Facilities Projects closing in FY 2013.

Systemwide Expenses: Decreased \$(10,000) in Finance to balance to approved budget.

Replacements: Decreased \$(160k) due to Basler Project being under budget and cancellation of the Digital Facult Recorder Project.

Upgrading Program: Change of \$(150k) is due to results from the FY12 Statement of Credit Differences.

Comparison of FY 2014 Estimates			
	Approved FY 2013 Base Charge \$	Estimates FY 2014 Proposed Base Charge \$	Changes \$
<b>Reclamation's O&amp;M Program</b>			
Operations	7,004,000	6,374,000	(630,000)
Maintenance	16,714,000	16,161,000	(553,000)
A&GE	15,128,000	17,869,000	2,741,000
A&GE Adjusted for Refund	(515,000)	(300,000)	215,000
Subtotal	14,613,000	17,569,000	2,956,000
Extraordinary Maintenance	7,064,000	6,192,000	(872,000)
Subtotal	45,395,000	46,296,000	901,000
Post Civil Service Retirement/Life/Health	2,035,430	1,805,810	(229,620)
Subtotal O&M Program	47,430,430	48,101,810	671,380
Replacements	10,142,000	8,354,000	(1,788,000)
Reclamation OM&R	57,572,430	56,455,810	(1,116,620)
<b>Western's O&amp;M Program</b>			
Facility Expenses	1,987,586	2,441,742	454,156
Systemwide Expenses	2,531,041	3,720,304	1,189,263
Subtotal	4,518,627	6,162,046	1,643,419
Post Civil Service Retirement/Life/Health	251,570	223,190	(28,380)
Subtotal O&M Program	4,770,197	6,385,236	1,615,039
Replacements	1,325,970	400,000	(925,970)
Western OM&R	6,096,167	6,785,236	689,069
Total O&M Program	53,526,597	54,887,046	1,360,449
Total OM&R	63,668,597	63,241,046	(427,551)
<b>Other Expenses</b>			
Visitor Center	8,623,000	7,156,000	(1,467,000)
Payments to States - Reclamation	600,000	600,000	0
Upgrading Payments - Interest	4,169,414	3,381,326	(788,088)
Upgrading Payments - Principal	11,001,787	11,642,301	640,514
Debt Service Investments - Interest	10,863,350	10,806,037	(57,313)
Other Interest (CME and Warehouse)	12,000	12,000	0
Debt Service Investments - Principal Payments	1,910,139	2,013,335	103,196
Subtotal Other Annual Expenses	37,179,690	35,610,999	(1,568,691)
<b>Total Expenses</b>	<b>100,848,288</b>	<b>98,852,044</b>	<b>(1,996,242)</b>
<b>Prior Yearend Carryover</b>	<b>4,488,651</b>	<b>8,764,025</b>	<b>4,275,374</b>
<b>Other Revenues</b>			
<b>Reclamation</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>0</b>
<b>Western</b>	<b>1,450,000</b>	<b>1,450,000</b>	<b>0</b>
<b>Subtotal Other Revenues</b>	<b>13,450,000</b>	<b>13,450,000</b>	<b>0</b>
<b>Water Sales Revenues</b>	<b>530,000</b>	<b>530,000</b>	<b>0</b>
<b>Base Charge/Revenue Requirement</b>	<b>82,379,637</b>	<b>76,108,019</b>	<b>(6,271,618)</b>

**Bureau of Reclamation Approved FY 2013 to Proposed FY 2014 Explanations:**

Operations: Decreased estimate due to across-the-board reductions in Salaries, Materials, Services, Equipment, etc.

Maintenance: Decreased estimate is primarily due to elimination of the Unscheduled Necessary Work funds and realignment of the Power Plant Piping Management work plan to Extraordinary Maintenance.

A&GE: Increased estimate is primarily due to elimination of the Shared Costs adjustment to Visitor Center, increased Region/Denver/Other costs, and reduced projected security credit.

Extraordinary Maintenance: Decreased estimate is primarily due to reduced or no contract work for the Penstock Exterior Spot Coating and Turbine Pit Area Machining. Decrease was partially offset by the realignment of the Power Plant Piping Management work plan from Maintenance and the following new projects: Spare Exciter Rotor Inspection & Repair and Paradox Valve Repairs.

Replacements: Decreased estimate is primarily due to reduced or no contract work for the following projects: Stainless Steel Wicket Gates, Drum Gate Drain Hose, Station Service Transfer Bus Breaker, A8 Wide Head Turbine, and Station Service Pelton Turbine. Decrease was partially offset by the following projects increased or new contract work: Wide Head Range Turbine, Elevator Motor and Controller, 2300 Volt Switchgear, and Fire Alarm Panel.

Visitor Center: Decreased estimate primarily due to elimination of the Shared Costs adjustment from A&GE.

**Western's Approved FY 2013 to Proposed FY 2014 Explanations:**

Facility Expenses: Increased due to vegetation management and increased helicopter usage. In addition, Western has implemented the contingency funds in FY 2014.

Systemwide Expenses: Increased due to complexity of new billing system, work is taking longer than estimated in FY 2013; new cost allocations implemented in FY 2014; labor hours decreased in J organizations for transmission studies, one FTE in financial management is now classified as overhire rather than to power systems which better reflects the work being completed. Power marketing is seeing additional labor hours due to 2017 workload and also continue to fill positions and intend to be fully staffed by FY 2015. Starting in FY 2014, scheduled upgrades/additions are being included in multiproject estimates. Improvements in the depreciation calculation method results in a slight increase to provide more accurate estimates.

**Comparison of  
FY 2014 Proposed Base Charge  
and  
FY 2013 Approved Base Charge**

	<b>Approved FY 2013 Base Charge</b>	<b>Proposed FY 2014 Base Charge</b>	<b>Changes</b>	<b>Changes %</b>
<b>BASE CHARGE (REVENUE REQUIREMENTS)</b>	<b>\$82,379,637</b>	<b>\$76,108,019</b>	<b>-\$6,271,618</b>	<b>-7.61%</b>
<b>COMPOSITE RATE (Mills/kWh)</b>	<b>21.28</b>	<b>20.29</b>	<b>-0.99</b>	<b>-4.67%</b>
<b>ENERGY RATE (Mills/kWh)</b>	<b>10.64</b>	<b>10.14</b>	<b>-0.50</b>	<b>-4.67%</b>
<b>Energy Sales mWh</b>	<b>3,871,041</b>	<b>3,751,667</b>	<b>-119,374</b>	<b>-3.08%</b>
<b>CAPACITY RATE (\$/kW/Month)</b>	<b>\$1.96</b>	<b>\$1.86</b>	<b>-\$0.10</b>	<b>-5.01%</b>
<b>Capacity Sales</b>	<b>1,752,417</b>	<b>1,704,333</b>	<b>-48,084</b>	<b>-2.74%</b>

**Energy and Capacity Sales are taken from the April 24-Month Study and 17-Month Schedule and will be published in the second draft of Western's Master Study.**