

BOULDER CANYON PROJECT

**Western Area Power Administration
Desert Southwest Region**



**Public Information Forum
Proposed FY 2017 Base Charge
April 27, 2016**

Agenda

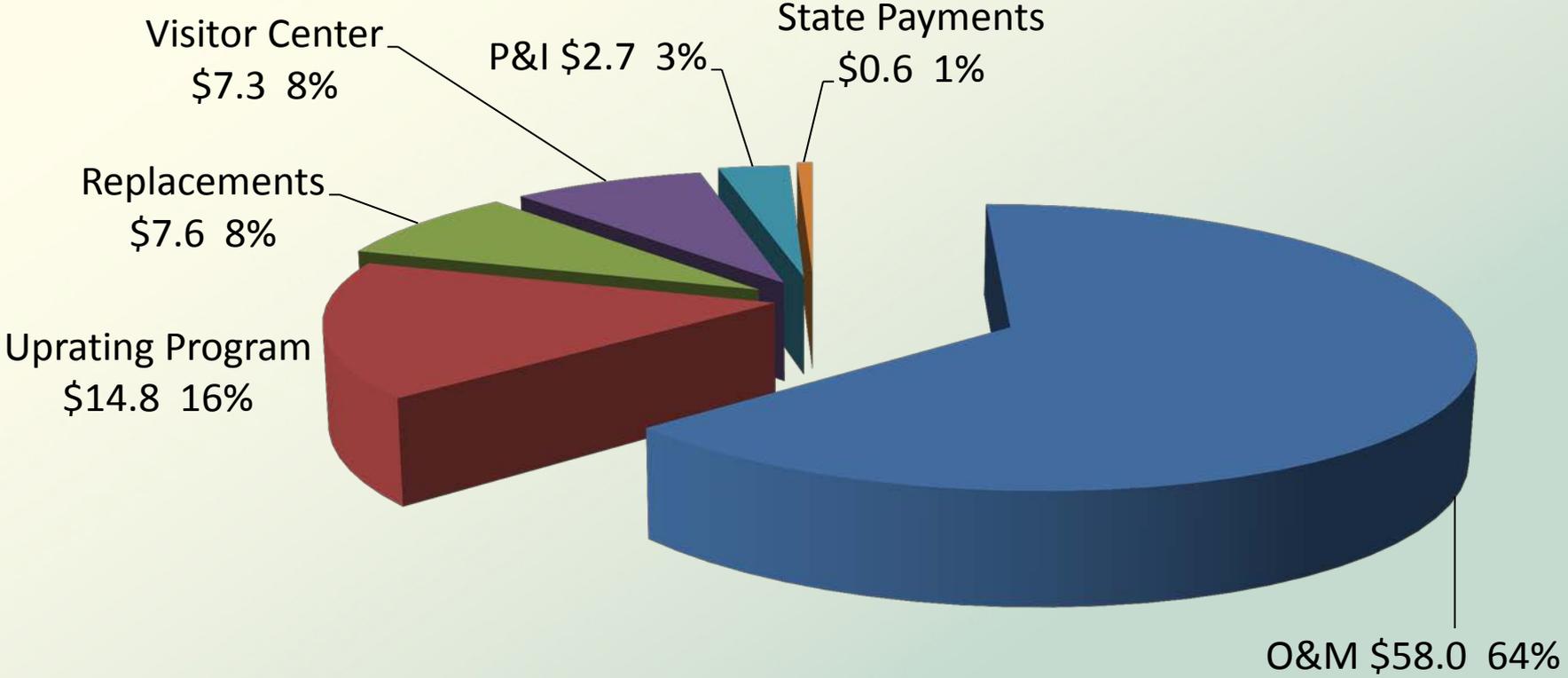
- Fiscal Year (FY) 2015 Base Charge vs. Actuals
 - FY 2015 Actual Expense Chart
- FY 2016 Base Charge vs. Revised Budget Estimate
 - FY 2016 Revised Budget Chart
- FY 2016 Base Charge vs. Proposed FY 2017 Base Charge
 - FY 2017 Budget Chart
- Proposed Changes to Base Charge
- Next Steps
- Resources

FY 2015 Base Charge vs. Actuals

(in thousands)

	FY 2015 Base Charge	FY 2015 Actuals	Difference	% Change
Reclamation OM&R	\$57,376	\$57,384	\$8	<1%
Western OM&R	7,456	8,137	681	9%
Other Expense	<u>26,039</u>	<u>25,482</u>	<u>-557</u>	<u>-2%</u>
Total Expense	90,872	91,003	131	<1%
(-) Prior Year Carryover	15,883	30,966	15,083	95%
(-) Other Revenue	13,450	16,934	3,484	26%
(-) Water Revenue	<u>530</u>	<u>677</u>	<u>148</u>	<u>28%</u>
Base Charge	61,009	42,425	-18,583	-30%
Cash Available		\$18,583		
Less Undelivered Orders & Accounts Receivable		<u>-4,924</u>		
FY 2015 Carryover		\$23,507		

FY 2015 Actual Expense (in millions)



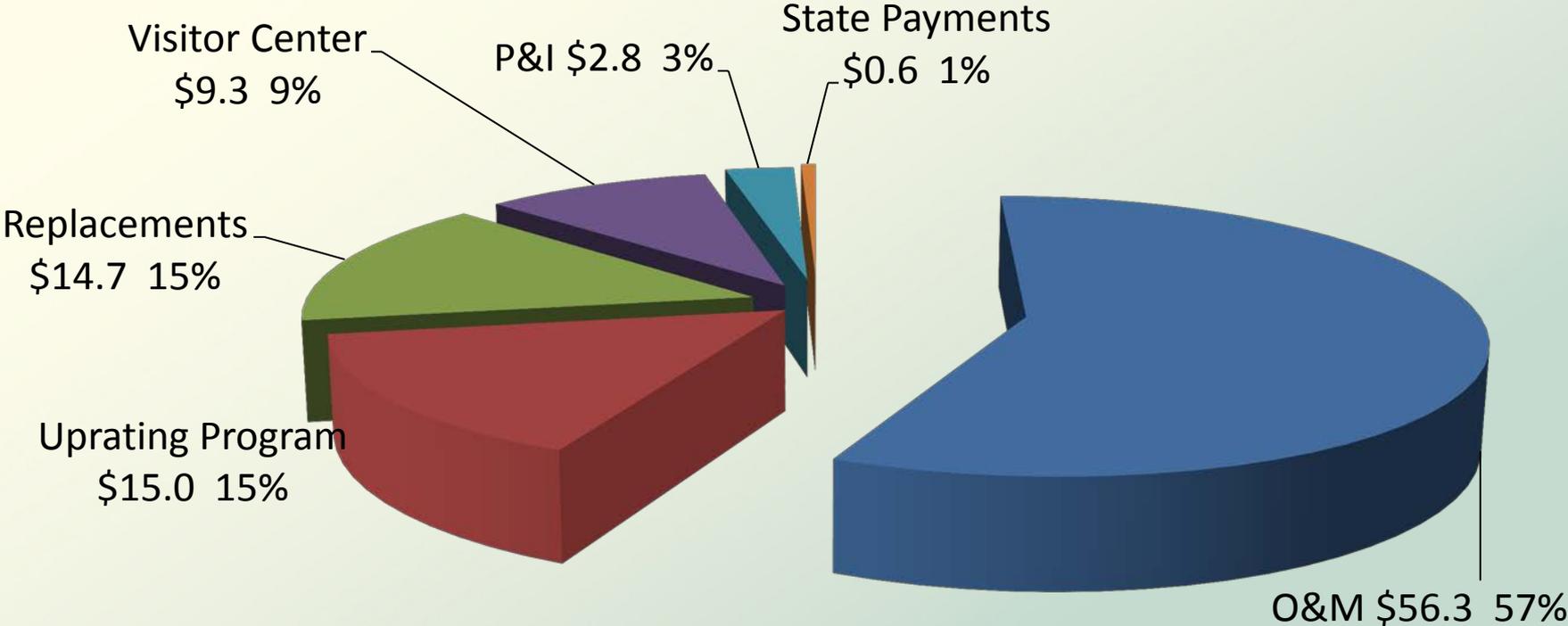
Total: \$91 million

FY 2016 Base Charge vs. Revised Budget Estimate

(in thousands)

	FY 2016 Base Charge	Revised FY 2016 Budget Est.	Difference	% Change
Reclamation OM&R	\$58,083	\$62,541	\$4,458	8%
Western OM&R	7,674	8,447	773	10%
Other Expense	<u>27,053</u>	<u>27,687</u>	<u>634</u>	<u>2%</u>
Total Expense	92,810	98,675	5,865	6%
(-) Prior Year Carryover	14,344	23,507	9,163	64%
(-) Other Revenue	14,200	16,300	2,100	15%
(-) Water Revenue	<u>530</u>	<u>530</u>	<u>0</u>	<u>0%</u>
Base Charge	63,736	58,338	-5,398	-8%
FY 2016 Carryover		\$5,398		

FY 2016 Revised Budget (in millions)



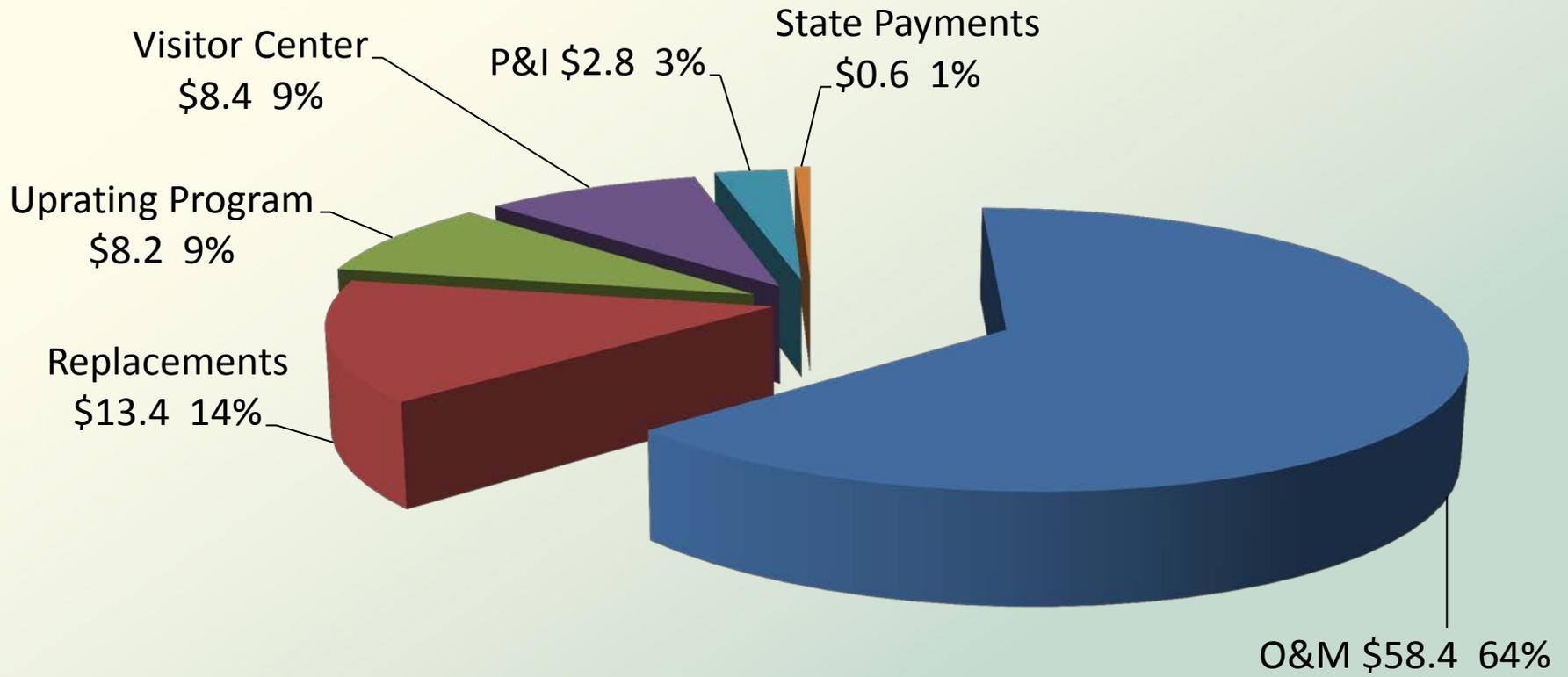
Total: \$98.7 million – Includes \$6 million in Multi-Year Project Funds

Fiscal Year 2016 Base Charge vs. Proposed FY 2017 Base Charge

(in thousands)

	FY 2016 Base Charge	Proposed FY 2017 Base Charge	Difference	% Change
Reclamation OM&R	\$58,083	\$62,595	\$4,512	8%
Western OM&R	7,674	9,236	1,563	20%
Other Expense	<u>27,053</u>	<u>19,996</u>	<u>-7,057</u>	<u>-26%</u>
Total Expense	92,810	91,827	-983	-1%
(-) Prior Year Carryover	14,344	5,398	-8,947	-62%
(-) Other Revenue	14,200	13,300	-900	-6%
(-) Water Revenue	<u>530</u>	<u>580</u>	<u>50</u>	<u>9%</u>
Base Charge	63,736	72,549	8,813	14%

FY 2017 Budget (in millions)



Total: \$91.8 million

Prior Year Impacts on Proposed FY 2017 Base Charge

(in thousands)

	Actual FY 2015	Revised FY 2016	Proposed FY 2017
Total Expenses	\$91,003	\$98,675	\$91,827
(-) Prior Year Carryover	30,966	23,507	5,398
(-) Other Revenue	16,934	16,300	13,300
(-) Water Sale Revenue	677	530	580
= Base Charge	\$42,425	\$58,338	\$72,549

- The proposed FY 2017 base charge increase is primarily a result of a decrease in prior year carryover.

Proposed Changes to Base Charge

	FY 2016 Base Charge	Proposed FY 2017 Base Charge	Difference	% Change
Base Charge	\$63,735,856	\$72,549,275	\$8,813,419	13.83%
Composite Rates (Mills/kWh)	18.33	20.47	2.14	11.66%
Energy Rate (Mills/kWh)	9.17	10.23	1.07	11.66%
Energy Sales (mWh)	3,476,763	3,544,363	67,600	1.94%
Capacity Rate (\$/kW-Mo)	\$1.72	\$2.00	\$.28	16.27%
Capacity Sales (kW)	1,531,083	1,509,083	(32,417)	-2.10%

- Energy and Capacity Sales are based on the second draft of the FY 2017 Master Study.

Next Steps

- Public Comment Forum May 25, 2016
- End of Consultation and Comment Period July 5, 2016
- Rate Package Finalized August 5, 2016
- Effective Date of Base Charge October 1, 2016

Thank you for attending today's
Public Information Forum

We look forward to seeing you here at the
Public Comment Forum

May 25, 2016

10:30 A.M. (MST)

Resources

Western

Scott Lund
Rates Manager
(602) 605-2442
slund@wapa.gov

Kevin Schaefer
Public Utilities Specialist
(602) 605-2867
kschaefer@wapa.gov

Anthony Camp
Supervisory Budget Analyst
(602) 605-2560
camp@wapa.gov

Reclamation

Roger Hovendick
Accountant
(702) 293-8243
rhovendick@usbr.gov

Peter Wong
Financial Specialist
(702) 293-8023
pwong@usbr.gov

Larry Karr
Public Utilities Specialist
(702) 293-8094
lkarr@usbr.gov

For further information as well as copies of this presentation, visit Western's Web site at <https://www.wapa.gov/regions/DSW/Rates/Pages/boulder-canyon-rates.aspx>.