



Department of Energy
Western Area Power Administration
Sierra Nevada Customer Service Region
114 Parkshore Drive
Folsom, California 95630-4710
APR 20 2011

To all Central Valley Project Preference Customers:

The Bureau of Reclamation (Reclamation) notified Western Area Power Administration (Western) on April 14, 2011, that the fiscal year (FY) 2011 Restoration Fund (RF) obligation will remain at \$26,370,060. See attached letter and supporting documentation from Reclamation. Western confirmed the following with Reclamation:

1. Fiscal year 2010 actual water and power RF receipts exceeded the statutory maximum by \$3,252,559. Western billed \$15,382,535 to date. The prior year overpayment will reduce the remaining billing requirement for FY 2011; therefore, Western will bill \$7,734,966 for the remaining five-month billing period.
2. Despite increased hydrology, Reclamation's mid-year water deliveries remain constrained due to biological opinions and water pumping restrictions.
3. Pursuant to Reclamation's business practices, a change at mid-year will not be made if estimates at mid-year remain within \$500,000. Therefore, Reclamation did not adjust power's portion at mid-year.

As a reminder, adjustments due to hourly exchange participation will be reflected beginning in July. For those customers who accumulate credits larger than their charge, the credits will be carried over to the next billing period(s) until credits are eliminated.

We thank you for your continued cooperation. Should you have any questions regarding the information on this letter, please contact me at (916) 353-4629, or via e-mail at rieger@wapa.gov.

Sincerely,

ORIGINAL SIGNED BY

Regina Rieger
Rates Manager

Enclosure

cc:

Ms. Jennifer Strother
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, CA 95825

Ms. Gail Trujillo-Bixby
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, CA 95825



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, California 95825-1898

IN REPLY
REFER TO:

MP-3600
WTR-4.00

APR 14 2011

Ms. Sonja A. Anderson
Power Marketing Manager
Sacramento Area Office
Western Area Power Administration
114 Parkshore Drive
Sacramento, California 95630-4710

Subject: Mid-Year Adjustment to the Allocation of the Fiscal Year 2011 Total Restoration Payments, Central Valley Project Improvement Act, Central Valley Project (CVP)

Dear Ms. Anderson:

This letter is to notify Western Area Power Administration (Western) that there will be no mid-year adjustment to the fiscal year 2011 restoration payment allocation associated with the Central Valley Project Improvement Act, Title XXXIV of Public Law 102-575. According to the Bureau of Reclamation's hydrologic projections for the CVP, the power contractor's 2011 obligation has been estimated within \$500,000 of the original power allocation of \$26,370,060. Therefore, Reclamation will not revise the allocated portion of restoration payments to power contractors for fiscal year 2011.

Based on factors delineated in the enclosure and professional judgment, the revised allocation shown below includes actual receipts for the first 6 months of fiscal year 2011, and actual fiscal year 2011 limiting collection amounts.

Any fiscal year 2011 restoration overpayments collected above the allocation will be applied against the fiscal year 2012 power contractors' allocation. In August 2011, Western will receive official notification of the fiscal year 2012 restoration payment allocation to power contractors.

Please contact Ms. Gail Trujillo-Bixby at 916- 978-5263 or gtrujillobixby@usbr.gov should you require additional information regarding the above calculations.

Sincerely,

Jennifer Strother
Manager, Accounting Services

Enclosure

FY2011 ACTUAL & PROJECTED RESTORATION PAYMENTS

	1st - 6 months actual receipts (10/01/10 thru 3/31/2011)	2nd - 6 months projected (04/01/11 thru 9/30/2011)	12 months total (10/01/10 thru 9/30/2011)
Restoration Payments - Water	9,483,249	13,249,046	22,732,294
Restoration Payments - Power	<u>16,393,337</u>	<u>10,488,369</u>	<u>26,881,706</u>
Total	25,876,586	23,737,414	49,614,000

FY2011 Total Restoration Payments Budgeted 49,614,000

FY2011 Restoration Payments Projected - Water 22,732,294

Total Needed from Power as of 4/5/2011 26,881,706

Original FY2011 Power Allocation 26,370,060

Difference 511,646