



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

AUG - 8 2012

To All Central Valley Project Preference Customers:

On August 3, 2012, the Bureau of Reclamation (Reclamation) sent the enclosed letter to the Western Area Power Administration (Western) notifying us that the power contractors' fiscal year (FY) 2013 estimated Restoration Fund obligation is \$8,645,770.

Western will begin billing the power contractors' FY 2013 Restoration Fund obligation in September 2012. Power contractors can calculate their monthly obligation by multiplying their Base Resource percentage by \$8,645,770 and divide the result by twelve.

As a reminder, Reclamation may revise the estimate at mid-year, by April 2013, which will result in a change to your monthly Restoration Fund obligation. Adjustments resulting from FY 2013 hourly exchange participation will be included on the July 2013 bills. Also, Reclamation's Restoration Fund forecast, which is updated each October, may be viewed on Western's website at <http://www.wapa.gov/sn/marketing/rates/>.

If you have any questions regarding Reclamation's procedures and methodology associated with calculating the power contractors' Restoration Fund obligation, please contact Ms. Gail Trujillo-Bixby at (916) 978-5263. If you have any questions regarding billing of the Restoration Fund obligation, please contact Ms. Padmini Palwe at (916) 353-4555 or e-mail at palwe@wapa.gov.

Sincerely,

ORIGINAL SIGNED BY

Regina Rieger
Rates Manager

Enclosure

cc:

Ms. Gail Trujillo-Bixby
Bureau of Reclamation
2800 Cottage Way
Sacramento, CA 95825

Ms. Brenda Bryant
Bureau of Reclamation
2800 Cottage Way
Sacramento, CA 95825



United States Department of the Interior

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



IN REPLY REFER TO:

MP-3600
FIN-3.00

AUG 3 2012

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

Subject: Allocation of the Fiscal Year 2013 (FY 2013) Total Restoration Payments, Central Valley Project Improvement Act, Central Valley Project (CVP)

Dear Ms. Anderson:

This letter notifies Western Area Power Administration (Western) of the FY 2013 total power payment obligation for restoration payments pursuant to the Central Valley Project Improvement Act, Title XXXIV of Public Law 102-575. The FY 2013 total allocation includes the CVP power contractors' assigned portion. Consistent with the Bureau of Reclamation's projections for the CVP and continuing the Maximum Restoration Payment Policy, the total FY 2013 power payment obligation is \$8,645,770.

The amount allocated to power is determined as follows:

Total Restoration Payments – Fiscal Year 2013	\$39,582,000
Projected Restoration Payments – Water	<u>\$30,936,230</u>
Total Restoration Payments – Power	<u>\$ 8,645,770</u>

Projected restoration receipts are \$24,214,646 for Irrigation and \$6,721,584 for Municipal and Industrial. FY 2013 initial projection uses a standard deviation calculated using water deliveries from FY 2002 through FY 2011.

Power's payment obligation for FY 2013 of \$8,645,770 must be transferred to Reclamation in FY 2013. In accordance with our agreement dated April 21, 1995, a mid-year adjustment to power's payment obligation will be made on or about April 1, 2013.

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Western will be notified in October 2012 of the actual RF5 fund receipts in FY 2012. This would state any shortage/overage in receipts for the fiscal year.

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

Sincerely,



Brenda Bryant
Regional Financial Manager

Enclosure

Projected FY 2013 Restoration Payments

	Acre-Feet	Charge 28% 8 - 9/12	Charge 72% 10/12 - 7/13	Projected Payments 100.00%
Restoration Payments (Water)				
Irrigation	2,502,030	\$9.39	\$9.79	\$24,214,646
M&I	347,261	\$18.78	\$19.58	\$6,721,584
Total Restoration Payments (Water)				\$30,936,230

Projected Deliveries	
Jan	3%
Feb	4%
Mar	5%
Apr	8%
May	10%
Jun	15%
Jul	19%
Aug	19%
Sep	9%
Oct	4%
Nov	2%
Dec	2%
Total	100%

FY 2011 thru FY 2013 Total Restoration Payments needed in 1992 dollars
 less FY 2011 Actual Payments (\$ 49,614,000 indexed /2) 32,032,000 /1
 less FY 2012 Projected Payments (\$ 52,767,000 indexed /3) 33,715,000 /1
 less subtotal FY 2011 & FY 2012 65,747,000 /1
 Total FY 2013 Projected Restoration Payments in 1992 dollars \$24,253,000 /1

Total FY 2013 Projected Restoration Payments in FY 2013 dollars \$39,582,000 /4
 less Projected Payments from Irrigation and M&I 30,936,230
 Balance needed from Power \$8,645,770

- /1 October 1992 price levels (rounded to thousands)
- /2 FY 2011 price levels (1.5489 CPIU index factor)
- /3 FY 2012 price levels (1.5651 CPIU index factor)
- /4 FY 2013 price levels (1.6321 CPIU index factor)

Project Water sold and delivered 8/12 thru 7/13 generates almost all of FY 2013 restoration payments projected from water.
 The above projection assumes restoration payments (receipts) are received and processed 2 months after deliveries are taken.