

## SNR - Rates

---

**From:** SNR-Rates, SNR  
**Sent:** Friday, August 22, 2014 3:03 PM  
**Subject:** 2015 Initial Power Restoration Fund Obligation  
**Attachments:** FY 2015 Initial Restoration Fund Letter to Power (8-22-14).pdf

To All Central Valley Project Preference Customers:

On August 22, 2014, the Bureau of Reclamation (Reclamation) sent the enclosed letter notifying Western Area Power Administration (Western) that the power contractors' fiscal year (FY) 2015 estimated Restoration Fund obligation is \$31,588,629.

Western will begin billing the FY 2015 power Restoration Fund obligation in September 2014. Power contractors can calculate their monthly obligation by multiplying their Base Resource percentage by \$31,588,629 and divide the result by twelve.

At this time, Reclamation is projecting an \$11 million shortfall from 2014. Under Reclamation's current policy, any prior year surplus or shortfall is assessed to power in the next fiscal year. In addition, Reclamation may revise the current year estimate by April 2015 which will result in a change to your monthly Restoration Fund obligation. We will continue to share information as it becomes available. This letter, as well as other Restoration Fund billing information, is posted on Western's website at <http://www.wapa.gov/sn/rates/>.

If you have any questions regarding Reclamation's procedures and methodology associated with calculating the power Restoration Fund obligation, please contact Ms. Gail Trujillo-Bixby at (916) 978-5263. If you have any questions regarding billing, please contact Mr. Juan Ortiz at (916) 353-4443 or e-mail at [jortiz@wapa.gov](mailto:jortiz@wapa.gov).

Thank you.



# 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 22 2014

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

Subject: Allocation of the Fiscal Year (FY) 2015 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 2015 total power payment obligation for restoration payments pursuant to the Central Valley Project Improvement Act, Title XXXIV of Public Law 102-575. The FY 2015 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 2015 power payment obligation is \$31,588,629.

The amount allocated to power is determined as follows:

Total Restoration Payments – Fiscal Year 2015	\$56,995,000
Projected Restoration Payments – Water	<u>\$25,406,371</u>
Total Restoration Payments – Power	<u>\$31,588,629</u>

Projected restoration receipts are \$17,232,869 for Irrigation and \$8,173,502 for Municipal & Industrial. FY 2015 initial projection used the projected water deliveries in the 2014 rate book and assumed no Class 2 water deliveries and took into account the water contractors that have been granted ability-to-pay relief.

The power payment obligation for FY 2015 of \$31,588,629 must be transferred to Reclamation in FY 2015. In accordance with our agreement dated April 21, 1995, a mid-year adjustment to power's payment obligation will be made in April 2015.

Subject: Allocation of the Fiscal Year (FY) 2015 Total Restoration Payments, Central Valley Project Improvement Act, Central Valley Project (CVP)

2

Western will be notified in October 2014 of the actual restoration payments fund receipts in FY 2014. This would state any shortage/overage in receipts for the fiscal year. Western was notified in the May 20, 2014, rescission letter that the FY 2014 shortage would be assessed in FY 2015. Currently, the estimated shortfall for FY 2014 is \$11,000,000 which is due in FY 2015.

Please contact Ms. Gail Trujillo-Bixby should you require additional information regarding the above calculations at 916-978-5263, [gtrujillobixby@usbr.gov](mailto:gtrujillobixby@usbr.gov), or for TTY access call the Federal Relay Service at 800-877-8339.

Sincerely,

A handwritten signature in cursive script that reads "Autumn Wolfe". The signature is written in black ink and is positioned above the printed name and title.

Autumn Wolfe  
Acting Regional Financial Manager

Enclosure

**Projected FY 2015 Restoration Payments**

	Acre-Feet	Charge 28% 8 - 9/14	Charge 72% 10/14 - 7/15	Projected Payments 100.00%
Restoration Payments (Water)				
Irrigation	1,715,123	\$9.99	\$10.07	\$17,232,869
M&I	406,739	\$19.98	\$20.14	\$8,173,502
<b>Total Restoration Payments (Water)</b>				<b>\$25,406,371</b>

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%
<b>Total</b>	<b>100%</b>

FY 2013 thru FY 2015 Total Restoration Payments needed in 1992 dollars  
 less FY 2013 Actual Payments (\$ 39,188,000 indexed /2) 24,011,000 /1  
 less FY 2014 Projected Payments (\$ 53,347,000 indexed /3) 32,037,000 /1  
 less subtotal FY 2013 & FY 2014 56,048,000 /1  
**Total FY 2015 Projected Restoration Payments in 1992 dollars \$33,952,000 /1**

Total FY 2015 Projected Restoration Payments in FY 2015 dollars \$56,995,000 /4  
 less Projected Payments from Irrigation and M&I 25,406,371  
**Balance needed from Power \$31,588,629**

- /1 October 1992 price levels (rounded to thousands)
- /2 FY 2013 price levels (1.6321 CPIU index factor)
- /3 FY 2014 price levels (1.6652 CPIU index factor)
- /4 FY 2015 price levels (1.6787 CPIU index factor)

Project Water sold and delivered 8/14 thru 7/15 will generate almost all of FY 2015 restoration payments projected from water. The above projection assumes restoration payments (receipts) are received and processed 2 months after deliveries are taken.