



Sierra Nevada Region



Power Revenue Requirement Forecast FY 2016 - FY 2019

	Current FY15 PRR		FY16 PRR		FY17 PRR		FY18 PRR		FY19 PRR	
	Expenses	Revenues								
O&M Expense: /1										
Reclamation	\$44,585,384		\$47,934,383		\$50,242,006		\$50,702,464		\$52,971,118	
Western	\$59,400,596		\$61,918,526		\$63,938,607		\$65,915,335		\$67,533,841	
Total O&M Expense	\$103,985,980		\$109,852,910		\$114,180,613		\$116,617,799		\$120,504,960	
Purchase Power Expense:										
Custom Product & Suppl. Power /2	\$209,685,496	\$209,685,496	\$204,328,000	\$204,328,000	\$209,678,511	\$209,678,511	\$220,162,437	\$220,162,437	\$231,170,558	\$231,170,558
HBA Costs /3	\$2,431,380		\$2,499,448		\$2,574,431		\$2,651,664		\$2,731,214	
Purchases for Project Use /4	\$0		\$0		\$0		\$0		\$0	
Washoe Cost for BR	\$471,500		\$194,000		\$194,000		\$194,000		\$194,000	
Total Purchase Power Expense/Revenue	\$212,588,376	\$209,685,496	\$207,021,448	\$204,328,000	\$212,446,942	\$209,678,511	\$223,008,101	\$220,162,437	\$234,095,773	\$231,170,558
Interest Expense: /5										
Total Interest Expense	\$9,516,139		\$10,831,950		\$11,421,490		\$12,134,797		\$12,370,604	
Other Expenses: /6										
Total Other Expenses	\$3,176,735		\$3,272,037		\$3,370,198		\$3,471,304		\$3,575,443	
Project Repayment (Expense): /7										
Total Project Repayment	\$10,000,000									
Other Pass-through Expenses & Revenues:										
CAISO Market & GMC Charges for 2207A (WSLW) & (WPUL) /8	\$2,877,628	\$0	\$5,080,763	\$0	\$8,361,526	\$0	\$8,361,526	\$0	\$8,361,526	\$0
CAISO Expenses & Revenues /9	\$24,131,322	\$23,685,771	\$26,427,721	\$25,972,357	\$26,427,721	\$25,972,357	\$26,427,721	\$25,972,357	\$26,427,721	\$25,972,357
PG&E costs incurred for Wheeling /10	\$9,716,287	\$8,933,794	\$12,534,376	\$11,984,236	\$12,534,376	\$11,984,236	\$12,534,376	\$11,984,236	\$12,534,376	\$11,984,236
PATH 15 revenues and expenses	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Purchases and Sales for SBA /11	\$7,575,581	\$9,949,889	\$8,276,898	\$10,306,001	\$8,276,898	\$9,806,001	\$8,276,898	\$8,276,898	\$8,276,898	\$8,276,898
Resource Adequacy/Flexible Resource Adequacy /12	\$2,451,629	\$1,925,737	\$2,525,178	\$1,983,509	\$2,600,933	\$2,043,014	\$2,678,961	\$2,104,305	\$2,759,330	\$2,167,434
Total Other Pass-through Expense/Revenue	\$46,764,447	\$44,507,191	\$54,856,936	\$50,258,103	\$58,213,455	\$49,817,608	\$58,291,483	\$48,349,796	\$58,371,851	\$48,412,925
Other Revenues:										
Non-firm energy sales		\$0		\$0		\$0		\$0		\$0
Miscellaneous Revenues /13		\$33,452,055		\$34,795,390		\$36,242,068		\$37,585,812		\$38,355,662
SC, PM, and VRC Admin Fees		\$2,469,413		\$2,543,495		\$2,619,800		\$2,698,394		\$2,779,346
Revenue from Ancillary Service Sales to IOA SBA Members		\$2,426,296		\$2,426,296		\$2,426,296		\$2,426,296		\$2,426,296
Total Other Revenues		\$38,347,764		\$39,765,181		\$41,288,164		\$42,710,502		\$43,561,304
Project Use Revenues: /14										
Total Project Use Revenues		\$23,400,000		\$27,791,163		\$31,975,019		\$32,646,494		\$33,723,828
Transmission Revenues: /15										
Total Transmission Revenues		\$0								
Total Expenses & Revenues	\$386,031,678	\$315,940,451	\$395,835,281	\$322,142,448	\$409,632,698	\$332,759,302	\$423,523,484	\$343,869,229	\$438,918,631	\$356,868,616
Forecasted Power Revenue Requirement Summary:	Current FY15 PRR		FY16 PRR		FY17 PRR		FY18 PRR		FY19 PRR	
Total Expenses	\$376,031,678		\$385,835,281		\$399,632,698		\$413,523,484		\$428,918,631	
add: Project Repayment	\$10,000,000									
less: Total Revenues	\$386,031,678 (\$315,940,451)		\$395,835,281 (\$322,142,448)		\$409,632,698 (\$332,759,302)		\$423,523,484 (\$343,869,229)		\$438,918,631 (\$356,868,616)	
Estimated Power Revenue Requirement	\$70,091,227		\$73,692,833		\$76,873,396		\$79,654,255		\$82,050,015	
May 2014 Forecast	\$70,746,967		\$73,346,944		\$76,893,422		\$79,211,806			

Rate methodology is based on Rate Order WAPA 156 effective October 1, 2011 thru September 30, 2016.

FY 2017 is beyond the current FERC approval rate period but for consistency we are assuming the same rate methodology.

NOTES:

- /1 Western's and Reclamation's O&M is based on forecasted budget data. Both agencies' O&M include unfunded post retirement benefits.
- /2 Estimates for Custom Product and Supplemental purchase power costs (pass-through costs) are derived based on budget.
- /3 Forecasted Host Balancing Authority (HBA) costs are estimated to increase by 3% each year.
- /4 Forward purchases for Project Use and First Preference customers are not currently planned.
- /5 Interest Expense (from the FY 2014 preliminary Power Repayment Study) is forecasted to increase due to the planned out year investments.
- /6 Other Expenses are forecasted to increase at 3% per year.
- /7 Capital repayment projections includes Western's and BOR's planned investment.
- /8 These amounts reflect the termination of contract 2207A on April 1, 2016.
- /9 CAISO expense and revenue projections are based on current historical data and held constant thereafter.
- /10 These amounts reflect PG&E's FERC approved Wholesale Distribution Tariff (WDT) rate increase effective November 1, 2013, in Docket ER13-1188.
- /11 FY 2016 SBA power purchases and sales are based on historical data. FY2017-FY2019 values reflect a more conservative forecast due to the potential volatility of this category.
- /12 Resource Adequacy (RA) (Local and Flexible) costs are forecasted to increase 3% annually.
- /13 Miscellaneous Revenues includes projected transmission revenues based on the May 2015 (with adjustments) transmission forecast.
- /14 Project Use revenues reflect PG&E's WDT rate increase and the termination of contract 2207A in April 2016.
- /15 Transmission Revenues are included in the Miscellaneous Revenues category.