



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

JUL 30 2015

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) 2016 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 2016 total power payment obligation for restoration payments pursuant to the Central Valley Project Improvement Act, Title XXXIV of Public Law 102-575. The FY 2016 total allocation includes the CVP power contractors' assigned portion. Consistent with the Bureau of Reclamation's hydrologic projections for the CVP, and continuing the Maximum Restoration Payment Policy, the total FY 2016 power payment obligation is \$35,517,990.

The amount allocated to power is determined as follows:

Total Restoration Payments – Fiscal Year 2016	\$49,528,000
Projected Restoration Payments – Water	<u>\$14,010,010</u>
Total Restoration Payments – Power	<u>\$35,517,990</u>

Projected restoration receipts are \$8,024,338 for Irrigation and \$5,985,672 for Municipal & Industrial. The FY 2016 initial projection uses a historical average based on the projected hydrologic conditions from our Central Valley Operations office.

The power payment obligation for FY 2016 of \$35,517,990 must be transferred to Reclamation in FY 2016. In accordance with our agreement dated April 21, 1995, a mid-year adjustment to power's payment obligation will be made in April 2016.

Western will be notified in October 2016 of the actual restoration payments fund receipts in FY 2016. This would state any shortage/overage in receipts for the fiscal year. Western was notified on April 27, 2015, of the deferment of the FY 2015 mid-year adjustment due to the

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prolonged drought conditions requiring unprecedented measures. These measures included assessing the FY 2015 shortfall in FY 2016. Currently, the estimated shortfall for FY 2015 is \$12,220,741.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Rodney Whitfield", written in a cursive style.

Rodney Whitfield
Regional Financial Manager

Enclosure

DEL_15.WTRALLO
5/9/15

Projected FY 2016 Restoration Payments

Projected Deliveries

	<u>Acre-Feet</u>	<u>Charge</u> 28% 8 - 9/15	<u>Charge</u> 72% 10/15 - 7/16	<u>Projected</u> <u>Payments</u> 100.00%
Restoration Payments (Water)				
Irrigation	788,958	\$10.07	\$10.21	\$8,024,338
M&I	294,362	\$20.14	\$20.41	\$5,985,672
Total Restoration Payments (Water)				<u>\$14,010,010</u>

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	<u>100%</u>

FY 2014 thru FY 2016 Total Restoration Payments needed in 1992 dollars	\$90,000,000 /1
less FY 2014 Actual Payments (\$ 44,840,000 indexed /2)	26,928,000 /1
less FY 2015 Projected Payments (\$ 56,995,000 indexed /3)	<u>33,952,000 /1</u>
less subtotal FY 2014 & FY 2015	60,880,000 /1
Total FY 2016 Projected Restoration Payments in 1992 dollars	<u>\$29,120,000 /1</u>

Total FY 2016 Projected Restoration Payments in FY 2016 dollars	\$49,528,000 /4
less Projected Payments from Irrigation and M&I	<u>14,010,010</u>
Balance needed from Power	<u>\$35,517,990</u>

- /1 October 1992 price levels (rounded to thousands)
- /2 FY 2014 price levels (1.6652 CPIU index factor)
- /3 FY 2015 price levels (1.6787 CPIU index factor)
- /4 FY 2016 price levels (1.7008 CPIU index factor)

Project Water sold and delivered 8/15 thru 7/16 will generate almost all of FY 2016 restoration payments projected from water.
The above projection assumes restoration payments (receipts) are received and processed 2 months after deliveries are taken.