



# 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  
1.3.11

**MAY 25 2018**

Mr. Arun Sethi  
Power Marketing Manager, Sierra Nevada Region  
Western Area Power Administration  
114 Parkshore Drive  
Folsom, CA 95630-4710

Subject: Determination of Allocation of Central Valley Project Improvement Act (CVPIA)  
Obligations Crossover Credit

Dear Mr. Sethi:

The purpose of this letter is to officially notify Western Area Power Administration (Western) that Reclamation will be applying a \$10 million credit to power customers' Central Valley Project (CVP) repayment obligations to offset their current Restoration Fund contributions. Reclamation provided the initial notice for the credit to Western on March 31, 2018, for Western to proceed with applying these credits to your rate schedule. The extent and scope of additional credits due to water and power contractors are being evaluated through an on-going public process. The evaluation includes reviewing internal processes and documented procedures assessing CVPIA obligations as reflected in the Expenditures, Credits, and Offsets (ECO) Report.

The proposed credit offset is provisioned by Section 3407(b) of the CVPIA, which provides for funds paid by CVP water and power contractors into the Restoration Fund. These are used to pay for the projects and facilities set forth in Section 3406(b), and will act as an offset against any water and power contractor obligations for cost share otherwise provided in this title.

If you have any questions, please contact me at [taberle@usbr.gov](mailto:taberle@usbr.gov) or 916-978-5011.

Sincerely,

Travis Aberle  
Assistant Regional Director  
for Business Services

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**cc: Ms. Janice Nations  
Financial Manager, Sierra Nevada Region  
Western Area Power Administration  
114 Parkshore Drive  
Folsom, CA 95630-4710**

**cc: Ms. Regina Riger  
Rates Manager, Sierra Nevada Region  
Western Area Power Administration  
114 Parkshore Drive  
Folsom, CA 95630-4710**