



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

JUN 19 2013

To Central Valley Project Preference Customers:

On June 12, 2013, the Bureau of Reclamation (Reclamation) revised the Fiscal Year (FY) 2013 Restoration Fund (RF) estimated power obligation to \$17,922,724, a decrease of \$972,622 from \$18,895,346, previously published in their mid-year adjustment letter dated April 11, 2013. Reclamation's letters are enclosed for your information.

Reclamation stated that the revision was due to an analysis of their process and adding one more month of estimated water deliveries to reflect a 12-month period. This was a one-time adjustment and applicable to FY 2013 only.

Also, as already noted in Western's April 15, 2013, mid-year adjustment letter to customers, the FY 2012 actual water and power RF receipts exceeded the statutory maximum by \$4,064,063. The FY 2012 overpayment, combined with \$8,958,533 in power RF billings to date, requires that Western now bill \$4,900,128 for the remaining 3-month billing period to collect the revised FY 2013 estimated power obligation of \$17,922,724.

As a reminder, adjustments due to hourly exchange participation will be reflected beginning in July. For those customers who accumulate credits larger than their charge, the credits will be carried over to the next billing period(s) until credits are eliminated.

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

2 Enclosures

cc:

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

Ms. Gail Trujillo-Bixby
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

JUN 12 2013

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

Subject: Revised Mid-Year Adjustment to the Allocation of the Fiscal Year 2013 Total
Restoration Payments, Central Valley Project Improvement Act, Central Valley Project

Dear Ms. Anderson:

This letter notifies Western Area Power Administration (Western) of a revision to the mid-year adjustment to the fiscal year (FY) 2013 Restoration Payment Allocation, including that portion assigned to the Central Valley Project (CVP) power contractors, associated with the Central Valley Project Improvement Act, Title XXXIV of Public Law 102-575. Consistent with the Bureau of Reclamation's hydrologic projections for the CVP and continuing the Maximum Restoration Payment Policy, the power contractor's 2013 obligation has been updated. The power contractor's obligation is estimated at \$17,922,724, a decrease of \$972,622 from the mid-year adjustment letter dated April 11, 2013.

After discussions at the power customer meeting, the process was analyzed and one more month of estimated water deliveries was added to projected water deliveries. This will be a one-time adjustment to correct projected deliveries to reflect a 12-month period. This process does not affect previous years, as power received credits for prior years at the time the restoration allocation was exceeded.

The other factors in the revised allocation remained constant: 1) Reclamation's March CVP water allocation, 2) actual receipts for the first 6 months of FY 2013, and 3) actual FY 2013 limiting collection amounts. Reclamation will continue to monitor receipts throughout the rest of the fiscal year.

Any FY 2013 restoration overpayments collected above the allocation will be applied against the FY 2014 power contractors' obligation. In August 2013, Western will receive official notification of the FY 2014 restoration payment allocation to power contractors.

Subject: Revised Mid-Year Adjustment to the Allocation of the FY 2013 Total Restoration Payments, Central Valley Project Improvement Act, CVP

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

Sincerely,



Brenda Bryant
Financial Manager

Enclosure

FY 2013 ACTUAL & PROJECTED RESTORATION PAYMENTS

	1st - 6 months actual receipts (10/01/12 thru 3/31/2013)	2nd - 6 months projected (04/01/13 thru 9/30/2013)	12 months total (10/01/12 thru 9/30/2013)
Restoration Payments - Water	6,826,797	14,832,479	21,659,276
Restoration Payments - Power	8,547,901	9,374,823	17,922,724
Total	15,374,698	24,207,302	39,582,000
FY 2013 Total Restoration Payments Budgeted	39,582,000		
FY 2013 Restoration Payments Projected - Water	21,659,276		
Total Needed from Power as of 4/3/2013	17,922,724		
Original FY 2013 Power Allocation	8,645,770		
Difference	9,276,954		

If the difference from the initial Restoration Payment allocation to Power is less than \$500,000, then no mid-year adjustment needed.

note: differences due to rounding