



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-1.10

AUG 10 2017

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) 2018 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 2018 total power payment obligation for restoration payments pursuant to the Central Valley Project Improvement Act, Title XXXIV of Public Law 102-575. The FY 2018 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 2018 power payment obligation is \$13,248,597.

The amount allocated to power is determined as follows:

Total Restoration Payments – Fiscal Year 2018	\$41,375,000
Projected Restoration Payments – Water	<u>\$28,126,403</u>
Total Restoration Payments – Power	<u>\$13,248,597</u>

Projected restoration receipts are \$19,198,142 for Irrigation and \$8,928,261 for Municipal & Industrial. FY 2018 initial projection uses a historical average based on the projected hydrologic conditions from our Central Valley Operations office.

The power payment obligation for FY 2018 of \$13,248,597 must be transferred to Reclamation in FY 2018. In accordance with our agreement dated April 21, 1995, a mid-year adjustment to power's payment obligation will be made in April 2018.

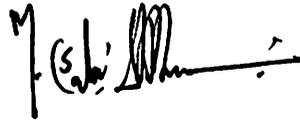
Western will be notified in October 2017 of the actual restoration payments fund receipts in FY 2017. This would state any shortage/overage in receipts for the fiscal year.

Subject: Allocation of the Fiscal Year (FY) 2018 Total Restoration Payments, Central Valley Project Improvement Act, Central Valley Project (CVP)

2

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Sabir Ahmad', with a horizontal line extending to the right.

Sabir Ahmad
Acting Regional Financial Manager

Enclosure

Projected FY 2018 Restoration Payments

	Acre-Feet	Charge 28% 8 - 9/17	Charge 72% 10/17 - 7/18	Projected Payments 100.00%
Restoration Payments (Water)				
Irrigation	1,845,478	\$10.23	\$10.47	\$19,198,142
M&I	429,186	\$20.45	\$20.94	\$8,928,261
Total Restoration Payments (Water)				<u><u>\$28,126,403</u></u>

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%
Total	<u><u>100%</u></u>

FY 2016 thru FY 2018 Total Restoration Payments needed in 1992 dollars	\$90,000,000 /1
less FY 2016 Actual Payments (\$ 57,270,000 indexed /2)	33,671,000 /1
less FY 2017 Projected Payments (\$ 55,606,000 indexed /3)	32,622,000 /1
less subtotal FY 2016 & FY 2017	<u>66,293,000 /1</u>
Total FY 2018 Projected Restoration Payments in 1992 dollars	<u><u>\$23,707,000 /1</u></u>

Total FY 2018 Projected Restoration Payments in FY 2018 dollars	\$41,375,000 /4
less Projected Payments from Irrigation and M&I	<u>28,126,403</u>
Balance needed from Power	<u><u>\$13,248,597</u></u>

- /1 October 1992 price levels (rounded to thousands)
- /2 FY 2016 price levels (1.7008 CPIU index factor)
- /3 FY 2017 price levels (1.7045 CPIU index factor)
- /4 FY 2018 price levels (1.7453 CPIU index factor)

Project Water sold and delivered 8/1 thru 7/18 will generate almost all of FY 2018 restoration payments projected from water. The above projection assumes restoration payments (receipts) are received and processed 2 months after deliveries are taken.

ENCLOSURE