



IN REPLY REFER TO:

MP-3600

1.3.11

## United States Department of the Interior

BUREAU OF RECLAMATION  
2800 Cottage Way  
Sacramento, CA 95825-1898



Mr. Arun Sethi  
Power Marketing Manager  
Western Area Power Administration  
114 Parkshore Drive  
Folsom, California 95630-4710

Subject: Allocation of the Fiscal Year (FY) 2021 Restoration Payments, Central Valley Project Improvement Act, Central Valley Project (CVP)

Dear Mr. Sethi:

This letter notifies Western Area Power Administration (WAPA) of the initial FY 2021 power payment for mitigation and restoration payments pursuant to the Central Valley Project Improvement Act, Title XXXIV of Public Law 102-575. In recognition of the U.S. Court of Appeals' decision regarding proportionality, *Northern California Power Agency v. United States*, 942 F.3d 1-91 (2019), Reclamation has modified the method to estimate power's M&R payment. The initial estimated power payment for FY 2021 is \$23,237,407. See attachment for details.

The initial power payment for FY 2021 of \$23,237,407 must be transferred to Reclamation in FY 2021. Reclamation is in the process of finalizing updates to the Business Practice Guidelines that describe the methodology for collecting mitigation and restoration payments to comport with the recent court ruling on proportionality. Reclamation is also in the process of calculating water and power users' respective allocations of repayment of the Central Valley Project based upon the recently approved Final Cost Allocation Study for the Central Valley Project.

The calculation of the final power payment for FY 2021 is predicated on completion of these efforts, and depending on the outcome, a subsequent adjustment in the power payment for FY 2021 may be necessary.

Please contact Mr. Spencer Walden should you require additional information at (916) 978-5311 or [swalden@usbr.gov](mailto:swalden@usbr.gov) or for TTY access call the Federal Relay Service at (800) 877-8339.

Sincerely,

ANN LUBAS-  
WILLIAMS

Digitally signed by ANN  
LUBAS-WILLIAMS  
Date: 2020.09.16  
10:51:56 -07'00'

Ann Lubas-Williams  
Regional Financial Manager

## CENTRAL VALLEY PROJECT RESTORATION FUND Mitigation and Restoration

### Table for determining power Mitigation & Restoration Payment

Actual Water Receipts FY 2019

Pre-Renewal Charges	-
Water Transfer Charges	44,134
Tiered Water Charges	(28,016)
Friant Surcharges	8,967,499
Mitigation & Restoration - Water	35,974,014
M&I Surcharge	-
<b>Total Water Receipts:</b>	<b>44,957,632</b>

\*Initial estimated 10-year Rolling Average for Repayment of the CVP (2010 - 2019)

Fiscal Year	Water Supply		Commercial Power		Combined	
2010	\$1,253,448,692		\$625,931,950		\$1,879,380,642	
2011	\$1,260,289,274		\$638,610,341		\$1,898,899,615	
2012	\$1,267,129,856		\$651,288,732		\$1,918,418,588	
2013	\$1,273,970,438		\$663,967,123		\$1,937,937,561	
2014	\$1,273,970,438		\$663,967,123		\$1,937,937,561	
2015	\$1,273,970,438		\$663,967,123		\$1,937,937,561	
2016	\$1,273,970,438		\$663,967,123		\$1,937,937,561	
2017	\$1,273,970,438		\$663,967,123		\$1,937,937,561	
2018	\$1,273,970,438		\$663,967,123		\$1,937,937,561	
2019	\$1,273,970,438	65.93%	\$663,967,123	34.07%	\$1,937,937,561	100.00%

\*\*FY 2021 Mitigation & Restoration Payment - Power

$$= (\text{total water} / \text{water supply} \%) * \text{power} \%$$

$$= (44,957,632 / .6593) * .3407 \qquad \qquad \qquad 23,237,407$$

\*The 10-year Rolling Average for Repayment of the CVP is still being finalized.

\*\*The calculation shown here contains rounded numbers.

**From:** [Stewart, Cori](#)  
**Subject:** Fiscal Year 2021 Initial Restoration Fund Letter to Power  
**Date:** Thursday, September 17, 2020 9:02:00 AM  
**Attachments:** [Fiscal Year 2021 Initial Restoration Fund Letter to Power.pdf](#)

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To All Central Valley Project Preference Customers:

On September 16, 2020, the Bureau of Reclamation (Reclamation) sent the attached letter notifying Western Area Power Administration (WAPA) that the power customers' fiscal year (FY) 2021 estimated Restoration Fund (RF) power obligation is \$23,237,407.

WAPA will begin billing the FY 2021 power obligation on the September 2020 bill for October 2020 service. Power customers can calculate their monthly obligation by multiplying their Base Resource percentage by \$23,237,407 and divide the result by twelve. Due to continued efforts by Reclamation, a subsequent adjustment for the FY 2021 power obligation may be necessary.

Additionally, adjustments due to the hourly exchange participation will be reflected beginning in July 2021 for the adjustment period, July 2020 to June 2021. 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 perfected.

We will continue to share information as it becomes available. This letter, as well as other RF billing information, will be posted on WAPA's [website](#).

If you have any questions regarding Reclamation's procedures and methodology associated with calculating the power obligation, please contact Mr. Spencer Walden at (916) 978-5311.

If you have any questions regarding billing, you may contact me at the telephone or email listed below.

Thank you,

**Cori Stewart | Public Utilities Specialist**

Western Area Power Administration | Sierra Nevada Region | Folsom, CA

(O) 916.353.4629 | (F) 916.985.1934 | [cstewart@wapa.gov](mailto:cstewart@wapa.gov)

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