

**Western-Sierra Nevada Region  
Informal Rates Public Process Meeting  
July 9, 2008 9:30 – 3:30  
Meeting Notes**

**Introduction and Attendance**

Western reviewed the guidelines and procedures for the informal rate process.

Highlights include:

- All questions and comments should be directed to Charles Faust at [Faust@wapa.gov](mailto:Faust@wapa.gov) with a cc to [snr\\_rates\\_informal@wapa.gov](mailto:snr_rates_informal@wapa.gov), or by phone at 916-353-4468.
- The intention is to provide a forum and communication medium to inform the customers of questions and answers relating to the informal process.

This will help to:

- Afford customers equal access to information.
- Ensure the process is non-discriminatory.

**Follow Up to the June 10<sup>th</sup> Customer Meeting**

1) Western indicated that all information from the Informal Rates process will be available on Western's website. This website is <http://www.wapa.gov/sn/marketing/rates/> and is in development.

2) Western is committed to trying to get all presentation material out before the scheduled meeting.

3) Western met with NCPA representatives and they presented an option for making Aid to Irrigation payments with the expected outcome of reducing interest expense in the out years. Interested parties should contact Jerry Toenyes at CVP Corp or Nannette Englebrite at NCPA for more information.

**Bureau of Reclamation Presentation**

Reclamation presented information on the CVP plant-in-service and the allocation to commercial power. Also presented was information on CVP Operations and Maintenance cost allocation for FY 2008. Handouts from the presentation were provided and are available on the website.

**Presentation of Revenue and Expense Chart**

Based on customer interest, Western provided an impromptu presentation on a flow chart (see handout) that shows the revenues and expenses relating to Power Revenue Requirement and subsequently to the Power Repayment Study. Western intends to make

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slight modifications based on customer comments to the flowchart (and it will be provided via the website).

**Rates Schedule CV-F12**

Western reviewed Rate Schedule CV-F12 for Base Resource (BR) and First Preference (FP) Power. Western discussed the Power Revenue Requirement as it relates to FP Power and BR deliveries. The FP percentage formula and an explanation of the data sources were reviewed. A sample calculation for FP charges is included in the rate schedule. The formula rate methodology for BR power was also reviewed. Components 2 and 3, which recover charges or credits that are approved by the Federal Energy Regulatory Commission and any charges or credits from the Host Control Area provider, were discussed as they relate to the formula rate for both FP and BR power.

Western provided a history of the FP customer's actual percentages. Each component of the formula used to derive the FP percentage was explained and the source of data for the components for the formula was discussed.

**First Preference Alternatives:**

The group discussed alternatives for first preference power charges and clarified the FP customers desire to have an annual "true-up."

**Action Items**

- 1) Request the Bureau of Reclamation to come in and assist with the cost allocation flow chart; including cost and volume differences. .
- 2) Review Project Use's allocation of operation and maintenance from Reclamation.
- 3) Consider and analyze options for an annual financial true-up for the First Preference Customers.
- 4) Provide an analysis of the cost allocation difference between Project Use and First Preference Customers.

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**Attendance**

Paul Landry	Bureau of Reclamation
Bill Stewart	Lassen Municipal Utility District
Ray Luhring	Lassen Municipal Utility District
Cori Pritchard	Robertson-Bryan, Inc Representing Eastside Power Authority
Stuart Robertson	Robertson-Bryan, Inc PWRPA
Jerry Toenyas	Northern California Power Agency
Dennis Dickman	Calaveras Public Power Agency
Lowell Watros	Redding Electric Utility
Megan Jones	Western Area Power Administration
Rick Coleman	Trinity Public Utilities District
Craig Stroh	Bureau of Reclamation
James Takehara	City of Roseville
Paul Eichenberger	City of Shasta Lake
Pete Garris	Western Area Power Administration
Jeanne Haas	Western Area Power Administration
Deb Dietz	Western Area Power Administration
Nannette Engelbrite	Northern California Power Agency
Kathleen Rustrum	Toulumne Public Power Agency
Kent Palmerton	Power and Water Resources Pooling Authority
Nat Martin	California State University, Sacramento
David Cohen	Navigant Consulting, representing TANC
Paul Scanlan	Sacramento Municipal Utility District
James Hendry	City and County of San Francisco
Janice Nations	Western Area Power Administration
Anita Wiley	Western Area Power Administration
Sandee Peebles	Western Area Power Administration
Russell Knight	Western Area Power Administration
Charles Faust	Western Area Power Administration
Melinda Grow	Western Area Power Administration
Steve Richardson	Western Area Power Administration
Sonja Anderson	Western Area Power Administration
Sean Sanderson	Western Area Power Administration
Nicole Hines	Western Area Power Administration