



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

AUG 25 2016

To All Central Valley Project Preference Customers and Interested Parties:

Effective October 1, 2016, the Fiscal Year (FY) 2017 Power Revenue Requirement (PRR) is \$78,245,264, a \$4,899,962 increase from FY 2016. The FY 2017 PRR is consistent with the amount provided in Western Area Power Administration's (WAPA) long-term PRR forecast issued in May 2016. Please see the enclosed FY 2016 to FY 2017 PRR comparison worksheet for details.

In accordance with Rate Order No. WAPA-173 and Rate Schedule CV-F13, the table below shows the PRR allocation between Base Resource (BR) and First Preference (FP) revenue requirements, FP percentages, and BR billing requirements. FP is billed in equal installments.

Rate Category	FY 2017 Annual Revenue Requirements
Power Revenue Requirement	\$78,245,264
Base Resource Revenue Requirement	\$72,689,850
First Preference Revenue Requirement	\$5,555,414
First Preference Customers	First Preference Percentages
Calaveras PPA	1.27%
Sierra CC	0.42%
Trinity PUD	4.32%
Tuolumne PPA	1.09%
Total FP Customers	7.10%
Base Resource Monthly Billing	Base Resource Monthly Billed Amount
October through March: 25% collection	\$3,028,744
April through September: 75% collection	\$9,086,231

As a reminder, revenue requirements and FP percentages are based on estimated financial and operational data. WAPA will review estimates in March and adjust rates, if necessary, to comply with Rate Schedule CV-F13. Billing adjustments from the FP percentage true-up will occur in FY 2019. All rates are posted at: <http://www.wapa.gov/regions/sn/rates/>.

If you have any questions, please contact Steve Richardson at (916) 353-4446 or srichard@wapa.gov.

Sincerely,

ORIGINAL SIGNED BY
Steve Richardson
 For Regina Rieger
 Rates Manager

Enclosure



Sierra Nevada Region Final FY 2017 Power Revenue Requirement



	FY16 PRR		FY17 PRR		Difference FY16 PRR vs FY 17 PRR		
	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues	NET (exp - rev)
O&M Expense: /1							
Reclamation							
Western		Total Reclamation O&M	\$47,934,383	\$50,174,945	\$2,240,562		\$2,240,562
Total O&M Expense	\$61,418,526	Total Western O&M	\$109,352,909	\$113,221,966	\$3,869,058		\$3,869,058
Purchase Power Expense:							
Custom Product and Supplemental Power /2							
HBA Costs /3	\$204,328,000	Total Custom Product and Supplemental Power	\$204,328,000	\$209,678,511	\$5,350,511	\$5,350,511	\$0
Purchases for Project Use customers /4	\$2,444,478	Total HBA Costs	\$0	\$2,517,812	\$73,334	\$0	\$73,334
Washoe Cost for BR /5	\$0	Total Purchases for Project Use customers	\$0	\$0	\$0	\$0	\$0
Total Purchase Power Expense/Revenue	\$194,000	Total Washoe Cost for BR	\$0	\$255,000	\$61,000	\$0	\$61,000
	\$206,966,478		\$204,328,000	\$212,451,323	\$5,484,846	\$5,350,511	\$134,334
Interest Expense:							
Total Interest Expense	\$10,495,499		\$11,344,218		\$848,719	\$0	\$848,719
Other Expenses:							
Total Other Expenses	\$3,278,630		\$3,321,671		\$43,042	\$0	\$43,042
Project Repayment (Expense):							
Total Project Repayment	\$10,000,000		\$10,000,000		\$0	\$0	\$0
Other Pass-through Expenses & Revenues:							
CAISO Market & GMC Charges WSLW and WPUL /6							
CAISO Expenses & Revenues /7	\$4,168,284	Total CAISO Market & GMC Charges for WSLW and WPUL	\$0	\$5,505,619	\$1,337,355	\$0	\$1,337,355
PG&E costs incurred for Wheeling /8	\$24,829,757	Total CAISO Expenses & Revenues	\$24,487,533	\$29,635,880	\$4,806,123	\$4,772,570	\$33,553
PATH 15 revenues and expenses	\$13,125,712	Total PG&E costs incurred for Wheeling	\$11,544,493	\$13,711,868	\$586,157	(\$360,496)	\$946,653
Purchases and Sales for SBA	\$12,000	Total PATH 15 revenues and expenses	\$12,000	\$12,000	\$0	\$0	\$0
Resource Adequacy (Local and Flexible)	\$6,295,175	Total Purchases and Sales for SBA	\$8,160,370	\$6,561,505	\$266,330	(\$127,984)	\$394,314
Total Other Pass-through Expense/Revenue	\$2,658,268	Total Resource Adequacy	\$2,188,314	\$1,502,575	(\$1,155,693)	(\$809,648)	(\$346,045)
	\$51,039,176		\$46,392,710	\$56,929,447	\$5,840,272	\$3,474,442	\$2,365,829
Other Revenues:							
Non-firm energy sales		Total Non-firm energy sales	\$0	\$0	\$0	\$0	\$0
Miscellaneous Revenues /9		Total Miscellaneous Revenues	\$36,042,835	\$34,949,367	\$0	(\$1,093,468)	\$1,093,468
SC, PM, and VRC Admin Fees /9		Total SC, PM, and VRC Admin Fees	\$2,544,064	\$2,610,154	\$0	\$66,090	(\$66,090)
Revenue from Ancillary Service Sales to IOA SBA Members /10		Total Revenue from A/S Sales to IOA SBA Members	\$2,529,781	\$2,926,179	\$0	\$396,398	(\$396,398)
Total Other Revenues			\$41,116,680	\$40,485,700	\$0	(\$630,980)	\$630,980
Project Use Revenues: /11							
Total Project Use Revenues	\$0		\$26,000,000	\$0	\$0	\$2,992,000	(\$2,992,000)
Transmission Revenues: /12							
Total Transmission Revenues	\$0		\$0	\$0	\$0	\$0	\$0
Total Expenses & Revenues	\$591,182,691	\$317,837,390	\$407,268,627	\$329,023,363	\$16,085,935	\$11,185,973	\$4,899,962
PRR Summary:							
		FY16 PRR		FY17 PRR	Difference		
Total Expenses		\$381,182,691		\$397,268,627	\$16,085,935		
add: Project Repayment		\$10,000,000		\$10,000,000	\$0		
		\$391,182,691		\$407,268,627	\$16,085,935		
less: Total Revenues		(\$317,837,390)		(\$329,023,363)	(\$11,185,973)		
Power Revenue Requirement		\$73,345,302		\$78,245,264	\$4,899,962		
Footnotes:							
/1 USBR and Western's O&M is based on updated budget and forecasted data.							
/2 Estimates for Custom Product and Supplemental Power costs are based on Western's Purchase Power budget.							
/3 Host Balancing Authority (HBA) charges reflect the most current contract agreement and increased 3% for FY 17.							
/4 Currently, there are no planned forward purchases for project use.							
/5 Based on the most current Washoe Project Power Repayment Study data.							
/6 These estimates reflect an increase in costs due to the termination of Contract 2207A on April 1, 2016.							
/7 FY17 revenues and expenses are based on historical data.							
/8 These estimates reflect settled rates with PG&E's Wholesale Distribution Tariff (WDT) service and an increase in WDT costs due to the termination of Contract 2207A.							
/9 Revenues reflect historical and forecasted data to account for changes in rates and contract charges.							
/10 FY17 forecast for Ancillary Service sales are based on historical data and forecasted rates.							
/11 Project use revenues are based on a preliminary FY 17 Project Use estimate.							
/12 Transmission revenues, included in miscellaneous revenues, are based on forecasted data.							