



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

JUN 29 2018

To all Central Valley Project (CVP) Preference Customers:

Effective July 1, 2018, the Western Area Power Administration (WAPA) will cease Restoration Fund charge billing to the preference customers for the remainder of fiscal year 2018 (FY18). The Bureau of Reclamation (Reclamation) notified WAPA on June 14, 2018, to cease the Restoration Fund charge billing for the remainder of FY18, to include the June, July, and August Restoration Fund charge bills (see enclosure). In addition, Reclamation also requested for WAPA to refund all of the Restoration Fund receipts received for May 2018.

To comply with Reclamation's request, WAPA will not be issuing Restoration Fund bills for the remainder of FY18. WAPA will provide refunds to those customers that have already paid for the May 2018 bill for June service month for the Restoration Fund. The estimated timeframe to complete the refund process is the end of July or early August 2018.

The next billing cycle for the Restoration Fund charge will commence with the initial FY19 Restoration Fund Power Obligation. This is the September 2018 bill for the October charges. Also to be included in this billing cycle will be the cumulative annual hourly exchange true-up that would have normally been processed on the July 2018 service month bill. Since the July 2018 Restoration Fund bill will not be issued, WAPA will apply the appropriate true-up amounts in the September 2018 bill for the October charges. These cumulative true-up charges or credits will consist of the hourly exchange customers' participation amounts for the months of July 2017 through April 2018.

For questions regarding the enclosed letter from Reclamation, please contact Reclamation's listed contacts.

We thank you for your continued cooperation. Should you have any questions regarding the information in this letter, please contact Ms. Jody Wootton, Public Utilities Specialist, at (916) 353-4515 or Wootton@wapa.gov.

Sincerely,

A handwritten signature in blue ink that reads "Arun K. Sethi".

Arun K. Sethi, P.E.
Vice President of Power Marketing for
Sierra Nevada Region

Enclosure



United States Department of the Interior

BUREAU OF RECLAMATION
Mid-Pacific Regional Office
2800 Cottage Way
Sacramento, CA 95825-1898

JUN 14 2018

IN REPLY REFER TO:

MP-3600
1.3.11

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

Subject: Allocation of the Fiscal Year 2018 (FY18) Total Restoration Payments, Central Valley Project Improvement Act (CVPIA), Central Valley Project (CVP)

Dear Mr. Sethi:

This letter notifies Western Area Power Administration (Western) of the status of Mitigation and Restoration (M&R) Fund receipts. Based on water and power receipts collected through the end of April and projected receipts for the remainder of the fiscal year, there is a strong possibility that FY18 M&R cash receipts will be over the annual ceiling. The annual ceiling for FY18 is \$41,375,000; which is on the low end of the three-year rolling average directed under CVPIA.

Cash collections through the end of April totaled \$25,798,727.10, with water and power receipts being \$18,227,482.58 and \$7,751,244.52, respectively. This is 62% of the annual ceiling.

The power payment obligation identified in the mid-year adjustment was \$19,355,263. This projection was based on Central Valley Operations (CVO) water supply allocations from February and March. CVO has since increased water supply allocations across the CVP. With this increase in water supply allocations, water receipts are expected to increase.

Reclamation requests that Western cease the power payment billings for the remainder of the fiscal year and cancel any bills for the month of June.

Please contact Ms. Gail Trujillo-Bixby at 916-978-5263 or gtrujillobixby@usbr.gov, or Mr. Spencer Walden at 916-978-5311 or swalden@usbr.gov should you require additional information. For TTY access, call the Federal Relay Service at 800-877-8339.

Sincerely,

Heriberto Abreo
Acting Regional Financial Manager