



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

SEP 27 2012

To All Central Valley Project Preference Customers and Interested Parties:

Effective October 1, 2012, the fiscal year (FY) 2013 Power Revenue Requirement (PRR) is \$73,381,487, a \$37,086 increase from FY 2012. Please see the enclosed FY 2012 to FY 2013 PRR comparison worksheet for details.

Under Rate Order No. WAPA 156 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 13 Annual Revenue Requirements
PRR	\$73,381,487
BR Revenue Requirement	\$69,646,369
FP Revenue Requirement	\$3,735,118
FP Customers	FP Percentages
Calaveras PPA	0.91%
Sierra CC	0.34%
Trinity PUD	3.15%
Tuolumne PPA	0.69%
Total FP Customers	5.09%
BR Monthly Billing	BR Monthly Billed Amount
October - March: 25% collection	\$2,901,932
April - September: 75% collection	\$8,705,796

As a reminder, revenue requirements and FP percentages are based on estimated financial and operational data. Western 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 2015. All rates are posted at: <http://www.wapa.gov/sn/marketing/rates/>.

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

Sincerely,

ORIGINAL SIGNED BY

Regina Rieger
Rates Manager

Enclosure



Sierra Nevada Region Final FY13 Power Revenue Requirement



	Final FY12 PRR		Final FY13 PRR		DIFFERENCE (Final FY13 v. Final FY12)		
	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues	NET (exp - rev)
O&M Expense: /1							
Reclamation							
Total Reclamation O&M	\$40,250,000		\$41,172,013		\$922,013		\$922,013
Western							
Total Western O&M	\$54,977,856		\$56,601,261		\$1,623,405		\$1,623,405
Total O&M Expense	\$95,227,856		\$97,773,274		\$2,545,418		\$2,545,418
Purchase Power Expense:							
Custom Product and Supplemental Power /2							
Total Custom Product and Supplemental Power	\$205,119,901	\$205,119,901	\$211,016,136	\$211,016,136	\$5,896,235	\$5,896,235	\$0
HBA Costs /3							
Total HBA Costs	\$2,243,797	\$0	\$2,310,408	\$0	\$66,611	\$0	\$66,611
Purchases for Project Use customers /4							
Total Purchases for Project Use customers	\$1,932,741	\$0	\$1,025,800	\$0	(\$906,941)	\$0	(\$906,941)
Washoe Cost for BR /5							
Total Washoe Cost for BR	\$471,500	\$0	\$471,500	\$0	\$0	\$0	\$0
Total Purchase Power Expense/Revenue	\$209,767,939	\$205,119,901	\$214,823,844	\$211,016,136	\$5,055,905	\$5,896,235	(\$840,330)
Interest Expense:							
Total Interest Expense	\$7,950,287		\$8,859,384		\$909,097	\$0	\$909,097
Other Expenses:							
Total Other Expenses	\$4,451,496		\$3,057,707		(\$1,393,789)	\$0	(\$1,393,789)
Project Repayment (Expense):							
Total Project Repayment	\$12,500,000		\$12,000,000		(\$500,000)	\$0	(\$500,000)
Other Pass-through Expenses & Revenues:							
CAISO Market & GMC Charges for 2207A (WSLW) and WPUL							
Total CAISO Market & GMC Charges for 2207A (WSLW) and WPUL	\$327,052	\$0	\$2,585,000	\$0	\$2,257,948	\$0	\$2,257,948
CAISO Expenses & Revenues /6							
Total CAISO Expenses & Revenues	\$19,004,732	\$17,620,251	\$20,233,839	\$19,309,302	\$1,229,107	\$1,689,050	(\$459,943)
PG&E costs incurred for Wheeling							
Total PG&E costs incurred for Wheeling	\$5,989,889	\$5,117,217	\$5,787,944	\$5,207,476	(\$201,945)	\$90,259	(\$292,204)
PATH 15 Expenses & Revenues							
Total PATH 15 Expenses & Revenues	\$12,000	\$12,000	\$12,000	\$12,000	\$0	\$0	\$0
Purchases and Sales for SBA							
Total Purchases and Sales for SBA	\$10,270,905	\$10,270,905	\$7,450,300	\$8,040,115	(\$2,820,604)	(\$2,230,789)	(\$589,815)
Resource Adequacy							
Total Resource Adequacy	\$1,635,250	\$1,275,312	\$1,958,752	\$1,566,220	\$323,502	\$290,908	\$32,594
Total Other Pass-through Expense/Revenue	\$37,239,829	\$34,295,685	\$38,027,836	\$34,135,113	\$788,007	(\$160,573)	\$948,580
Other Revenues:							
Non-firm energy sales							
Total Non-firm energy sales		\$0		\$0	\$0	\$0	\$0
Miscellaneous Revenues /7							
Total Miscellaneous Revenues		\$27,703,948		\$28,349,243	\$0	\$645,295	(\$645,295)
SC, PM, and VRC Admin Fees /7							
Total SC, PM, and VRC Admin Fees		\$2,376,613		\$2,438,397	\$0	\$61,784	(\$61,784)
Revenue from Ancillary Service Sales to IOA SBA Members /8							
Total Revenue from A/S Sales to IOA SBA Members		\$1,796,859		\$2,321,669	\$0	\$524,810	(\$524,810)
Total Other Revenues		\$31,877,420		\$33,109,309	\$0	\$1,231,889	(\$1,231,889)
Project Use Revenues: /9							
Total Project Use Revenues	\$0	\$22,500,000	\$0	\$22,900,000	\$0	\$400,000	(\$400,000)
Transmission Revenues: /10							
Total Transmission Revenues		\$0		\$0	\$0	\$0	\$0
Total Expenses & Revenues	\$367,137,407	\$293,793,006	\$374,542,045	\$301,160,558	\$7,404,638	\$7,367,551	\$37,087
PRR Summary:							
	Final FY12 PRR		Final FY13 PRR		Difference		
Total Expenses	\$354,637,407		\$362,542,045		\$7,904,638		
add: Project Repayment	\$12,500,000		\$12,000,000		(\$500,000)		
	\$367,137,407		\$374,542,045		\$7,404,638		
less: Total Revenues	(\$293,793,006)		(\$301,160,558)		(\$7,367,551)		
Power Revenue Requirement	\$73,344,401		\$73,381,487		\$37,086		

Footnotes:
/1 USBR and Western's O&M are based on updated budget data.
/2 Estimates for Custom Product and Supplemental Power costs are based on Western's Purchase Power budget.
/3 Host Balancing Authority (HBA) charges were updated with CY12 data (Oct - Dec), and inflated by 3% for FY13 (Jan - Sep).
/4 Purchase Power costs for project use are based on forward purchase contract amounts.
/5 Based on the most current Washoe Power Repayment Study data.
/6 FY13 revenues and expenses are based on historical data (most current 12-months).
/7 Revenues reflect historical and forecasted data to account for changes in rates and contract charges.
/8 FY13 forecast for Ancillary Service sales are based on the most current 12 months of historical data.
/9 Project use revenues are based on the FY13 project use estimate.
/10 Transmission revenues are included in miscellaneous revenues and reflect the most current transmission rates for CVP, PACI & COTP.