



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

September 14, 2023

To All Central Valley Project Preference Customers and Interested Parties:

Effective October 1, 2023, the Fiscal Year (FY) 2024 Power Revenue Requirement (PRR) is \$53,834,007, a \$3,626,576 decrease from FY 2023. Please see the enclosed FY 2023 to FY 2024 PRR comparison worksheet for details.

In accordance with Rate Order No. WAPA-185 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 2024 Annual Revenue Requirements
Power Revenue Requirement	\$53,834,007
Base Resource Revenue Requirement	\$50,264,812
First Preference Revenue Requirement	\$3,569,195
First Preference Customers	First Preference Percentages
Calaveras Public Power Agency	0.90%
Chicken Ranch Rancheria	0.11%
Sierra Conservation Center	0.27%
Trinity Public Utilities District	4.17%
Tuolumne Public Power Agency	1.18%
Total FP Customers	6.63%
Base Resource Monthly Billing	Base Resource Monthly Billed Amount
October through March: 25% collection	\$2,094,367
April through September: 75% collection	\$6,283,102

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. Billing adjustments from the FP percentage true-up will occur in FY 2026. All rates are posted at: <https://www.wapa.gov/regions/SN/rates>.

If you have any questions, please contact Autumn Wolfe at (916) 353-4686 or wolfe@wapa.gov.

Sincerely,

Autumn Wolfe
Rates Manager

Enclosure:



Sierra Nevada Region

Initial FY 2024 Power Revenue Requirement

Effective October 1, 2023

	FY 2023 PRR		FY 2024 PRR		Difference		
	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues	NET (exp - rev)
O&M Expense: /1							
Reclamation O&M	\$53,853,336		\$58,640,317		\$4,786,981		\$4,786,981
WAPA O&M	\$74,224,977		\$76,952,376		\$2,727,399		\$2,727,399
Total O&M Expense	\$128,078,313		\$135,592,693		\$7,514,380		\$7,514,380
Purchase Power Expense:							
Custom Product and Supplemental Power /2	\$219,444,974	\$219,444,974	\$205,152,052	\$205,152,052	(\$14,292,922)	(\$14,292,922)	\$0
Host Balancing Authority (HBA) Costs (SMUD) /3	\$3,042,771	\$0	\$3,132,245	\$0	\$89,474	\$0	\$89,474
Purchases for Project Use customers /4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Washoe Cost for BR /5	\$248,400	\$0	\$246,000	\$0	(\$2,400)	\$0	(\$2,400)
Total Purchase Power Expense/Revenue	\$222,736,145	\$219,444,974	\$208,530,297	\$205,152,052	(\$14,205,848)	(\$14,292,922)	\$87,074
Interest Expense: /6	\$7,015,209		\$8,361,371		\$1,346,162	\$0	\$1,346,162
Other Expenses: /7	\$3,152,714		\$4,835,652		\$1,682,938	\$0	\$1,682,938
Project Repayment (Expense):							
Total Project Repayment	\$2,550,000		\$2,000,000		(\$550,000)	\$0	(\$550,000)
Other Pass-through Expenses & Revenues:							
CAISO Market & GMC Charges Project Use (WPUL) /8	\$5,410,306	\$0	\$6,307,043	\$0	\$896,737	\$0	\$896,737
CAISO Expenses & Revenues /9	\$38,429,344	\$38,196,166	\$52,089,320	\$51,581,817	\$13,659,976	\$13,385,651	\$274,325
PG&E costs incurred for Wheeling /10	\$31,105,576	\$21,102,821	\$39,468,867	\$31,575,094	\$8,363,291	\$10,472,273	(\$2,108,982)
PATH 15 revenues and expenses	\$12,000	\$12,000	\$12,000	\$12,000	\$0	\$0	\$0
Purchases and Sales for SBA	\$9,787,885	\$12,231,493	\$9,972,394	\$12,442,993	\$184,509	\$211,500	(\$26,991)
Resource Adequacy (Local and Flexible)	\$8,160,838	\$6,130,600	\$7,082,265	\$5,469,193	(\$1,078,573)	(\$661,407)	(\$417,165)
Total Other Pass-through Expense/Revenue	\$92,905,949	\$77,673,080	\$114,931,889	\$101,081,096	\$22,025,940	\$23,408,016	(\$1,382,075)
Other Revenues: /11							
Non-firm energy sales		\$0		\$0	\$0	\$0	\$0
Miscellaneous Revenues		\$65,846,364		\$69,852,879	\$0	\$4,006,515	(\$4,006,515)
SC, PM, and VRC Admin Fees /12		\$2,617,800		\$2,700,877	\$0	\$83,077	(\$83,077)
Ancillary Service Sales to IOA SCA Members /13		\$4,295,529		\$4,530,991	\$0	\$235,462	(\$235,462)
Total Other Revenues		\$72,759,692		\$77,084,746	\$0	\$4,325,054	(\$4,325,054)
Project Use Revenues: /14		\$29,100,000		\$37,100,000	\$0	\$8,000,000	(\$8,000,000)
Transmission Revenues: /15		\$0		\$0	\$0	\$0	\$0
Total Expenses & Revenues	\$456,438,329	\$398,977,747	\$474,251,902	\$420,417,895	\$17,813,572	\$21,440,148	(\$3,626,576)
PRR Summary:							
Total Expenses	<u>\$453,888,329</u>		<u>\$472,251,902</u>		<u>\$18,363,572</u>		
add: Project Repayment	<u>\$2,550,000</u>		<u>\$2,000,000</u>		<u>(\$550,000)</u>		
	<u>\$456,438,329</u>		<u>\$474,251,902</u>		<u>\$17,813,572</u>		
less: Total Revenues	<u>(\$398,977,747)</u>		<u>(\$420,417,895)</u>		<u>(\$21,440,148)</u>		
Power Revenue Requirement	\$57,460,583		\$53,834,007		(\$3,626,576)		

Footnotes:

- /1 USBR and WAPA's O&M is based on updated budget and forecasted data.
- /2 Estimates for Custom Product and Supplemental Power costs are based on WAPA's Purchase Power budget.
- /3 Host Balancing Authority (HBA) charges reflect the most current contract agreement, with a 2% increase as seen from 2022-2023.
- /4 Currently, there are no planned forward power purchases for Project Use Customers.
- /5 Based on the most current Washoe Project Power Repayment Study data.
- /6 The FY24 PRR interest expense is based on projected unpaid capital.
- /7 Other Expenses are based on historical and projected data.
- /8 CAISO expenses for Project Use are derived based on current historical data.
- /9 CAISO revenues and expenses are derived based on current historical data (excludes Project Use).
- /10 These estimates reflect projected rates with PG&E's Wholesale Distribution Tariff (WDT) service.
- /11 Other Revenues are based on historical and projected data.
- /12 Revenues reflect historical and forecasted data to account for changes in rates and contract charges.
- /13 Ancillary Service sales is based on historical data and forecasted rates.
- /14 Project use revenues are based on the Project Use estimate.
- /15 Transmission revenues, included in miscellaneous revenues, are based on actual and forecasted data.