

Boulder Canyon Project

Informal Meeting Fiscal Year 2027 Base Charge

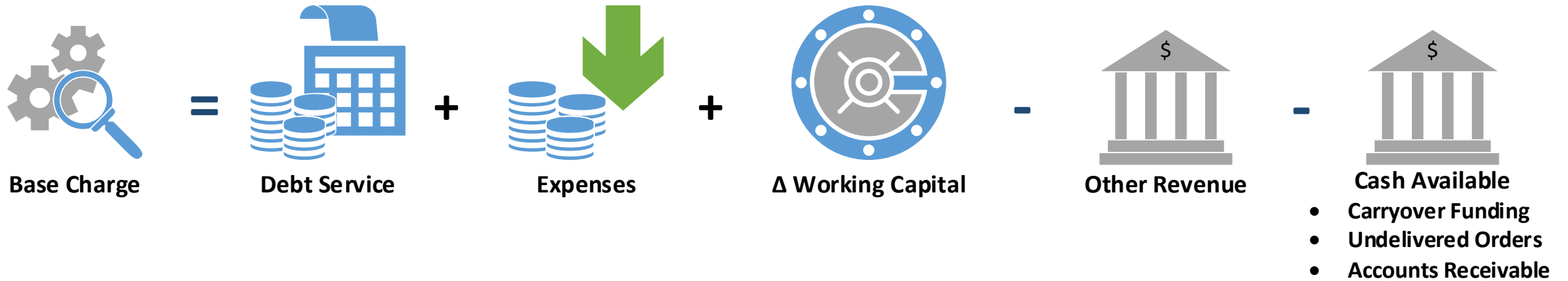
March 25, 2026



Agenda

- Base Charge and Rates Formulas
- FY 2025 Actuals
- FY 2026 Revised Budget
- FY 2027 Proposed Base Charge and Rates
- Timeline
- Resources

Base Charge Formula



Contractors are charged a proportionate share of the annual base charge using a capacity and energy charge – not a rate

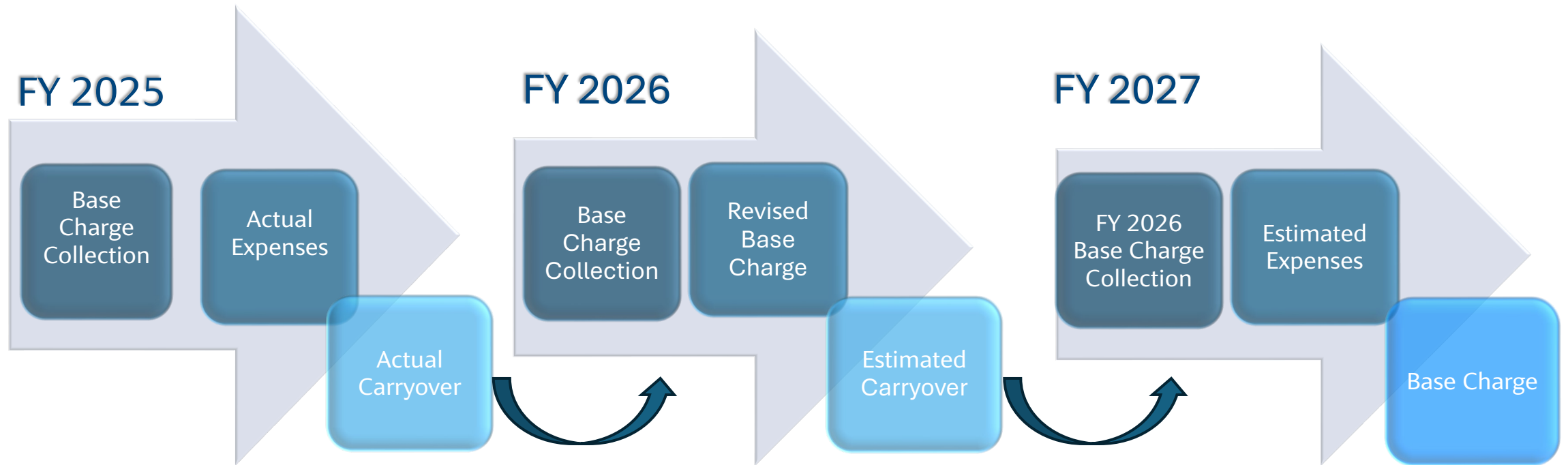
Rates

- Composite Rate = Base Charge / Energy Projections
- Energy Rate = (50% of Base Charge) / Energy Projections
- Capacity Rate = (50% of Base Charge) / Capacity Projections

Rates calculated for informational purposes



Base Charge



FY 2025 Actuals

	FY 2025 Base Charge	FY 2025 Actuals	Change	%
Bureau of Reclamation				
O&M	60,398,000	61,304,271	906,271	
Replacements	10,417,000	9,497,272	(919,728)	
Visitor Services	12,570,000	13,170,969	600,969	
Payments to States	600,000	600,000	-	
Principal and Interest	977,548	959,657	(17,891)	
Post-Retirement Benefits	2,274,915	2,274,915	-	
	87,237,463	87,807,084	569,621	1%
Western Area Power Administration				
O&M	9,044,800	7,637,220	(1,407,580)	
Replacements	752,000	549,887	(202,113)	
Post-Retirement Benefits	309,178	220,318	(88,860)	
Interest	30,637	39,117	8,480	
	10,136,615	8,446,542	(1,690,073)	-17%
Total Expense	97,374,078	96,253,626	(1,120,452)	-1%
less Prior Year Carryover	4,132,764	10,917,103	6,784,339	
less Non-power Revenue	18,907,029	15,261,964	(3,645,065)	-19%
Base Charge	\$ 74,334,285	\$ 70,074,559	(4,259,726)	-6%
Cash Available		4,259,726		
Less Change in UDO & AR		(3,146,264)		
Carryover into FY 2026		\$ (7,405,990)		

FY 2025 Actuals - Reclamation

FY 2025 Actuals exceed the Base Charge since carryover funds from FY 2024 were used

Under execution in Replacements expenses

- Lower than anticipated expenses in FY 2025 due to funds carried over to support ongoing multi-year projects

FY 2025 Actuals - WAPA and Project

Under execution in O&M

- Lower than anticipated expenses in FY 2025 due to staff vacancies

Under execution in Replacements

- Due to staffing needs and outage restrictions

Project non-power revenues were \$3.6M lower than projected

- Tourism has not yet recovered impacting visitor services revenues
- Hoover Visitor Center Exhibit Level was closed a majority of the year due to renovation

FY 2026 Revised Budget Summary

	FY 2026 Base Charge	Adjustments (MYPF)	FY 2026 Revised	Change	%
Bureau of Reclamation					
O&M	63,501,000	2,855,025	66,356,025	2,855,025	
Replacements	7,919,000	2,834,209	10,753,209	2,834,209	
Visitor Services	13,342,000	-	13,342,000	-	
Payments to States	600,000	-	600,000	-	
Principal and Interest	977,548	18,005	975,269	(2,279)	
	86,339,548	5,707,239	92,026,503	5,686,955	7%
Western Area Power Administration					
O&M	8,438,316	200,000	8,638,316	200,000	
Replacements	620,705	1,175,500	1,796,205	1,175,500	
Interest	31,485	-	31,485	-	
	9,090,506	1,375,500	10,466,006	1,375,500	15%
Total Expense	95,430,054	7,082,739	102,492,509	7,062,455	7%
<i>less Prior Year Carryover</i>	429,430	-	7,405,990	6,976,560	1625%
<i>less Non-power Revenue</i>	18,826,056	-	18,826,056	-	0%
Base Charge	\$ 76,174,568		\$ 76,260,463	\$ (85,895)	0%
Carryover into FY 2027			\$ (85,895)		

FY 2026 Revised Budget - Reclamation

\$92M including \$5.7M in carryover funds from FY 2025

Extraordinary Maintenance (\$2.9M) projects including:

- FY 2025 Multi-year Project Funds to continue work in FY 2026
 - Erosion Repair
 - N1 Brake Plate Replacement
 - Visitor Center Refurbishment – Exhibit Level
 - Exciter Rebuild
 - Monument Plaza Restoration
 - Solid Waste Site Mitigation

Replacements (\$2.8M) projects including:

- FY 2025 Multi-year Project Funds to continue work in FY 2026
 - Cylinder Gate Stems
 - UCM Life Cycle Replacement
 - HVAC Replacement 7th & 8th Floor
 - Additional Sump Pump
 - A9 Wide Head Turbine Runner Replacement

FY 2026 Revised Budget - WAPA

\$10.5M including \$1.4M in carryover funds from FY 2025

- O&M (\$200k) for anticipated increase in Power Marketing expenses
- Replacements (\$1.2M) to continue the Mead 69kV yard breaker and relay replacement project

FY 2027 Proposed Base Charge and Rates

	FY 2026		FY 2027			
	Base Charge		Proposed		Change	%
Base Charge	\$	76,174,568	\$	80,603,525	\$ 4,428,957	5.8%
Energy Projection (MWh)		2,942,170		2,942,170	0	0.0%
Composite Rate		25.89		27.40	1.51	5.8%
Energy Rate (Mills/kWh)		12.95		13.70	0.75	5.8%
Capacity Projection (kW)		1,396,000		1,396,000	0	0.0%
Capacity Rate (\$/kW-Mo)	\$	2.27	\$	2.41	\$ 0.14	6.2%

- Derived from Final Ten-Year Operating Plan published February 2, 2026
- Energy and capacity projections will be finalized by June 1st
- Rates are calculated for informational purposes

FY 2027 Proposed Base Charge Summary

	FY 2026 Base Charge	FY 2027 Proposed	Pre-Meeting Cuts	FY 2027 Revised	Change	%
Bureau of Reclamation						
O&M	63,501,000	65,913,000	-	65,913,000	2,412,000	
Replacements	7,919,000	7,491,000	-	7,491,000	(428,000)	
Visitor Services	13,342,000	14,863,000	-	14,863,000	1,521,000	
Payments to States	600,000	600,000	-	600,000	-	
Principal and Interest	977,548	979,000	-	979,000	1,452	
	86,339,548	89,846,000	-	89,846,000	3,506,452	4%
Western Area Power Administration						
O&M	8,438,316	9,111,000	(345,000)	8,766,000	327,684	
Replacements	620,705	682,000	(37,000)	645,000	24,295	
Interest	31,485	34,000	-	34,000	2,515	
	9,090,506	9,827,000	(382,000)	9,445,000	354,494	4%
Total Expense	95,430,054	99,673,000	(382,000)	99,291,000	3,860,946	4%
<i>less</i> Prior Year Carryover	429,430	(85,894)	-	(85,894)	(515,324)	-120%
<i>less</i> Non-power Revenue	18,826,056	18,773,369		18,773,369	(52,687)	0%
Base Charge	\$ 76,174,568	\$ 80,985,525		\$ 80,603,525	\$ 4,428,957	6%

FY 2027 O&M - Reclamation

O&M	FY 2026 Base Charge	FY 2027 Proposed	Change	%
Bureau of Reclamation				
Operations	9,014,000	8,973,000	(41,000)	0%
Maintenance	21,718,900	24,074,000	2,355,100	11%
A&GE	23,122,100	23,438,000	315,900	1%
Extraordinary Maintenance	9,646,000	9,428,000	(218,000)	-2%
O&M	\$ 63,501,000	\$ 65,913,000	\$ 2,412,000	4%

- Operations budget decreased \$41k
 - Reductions in Water Scheduling , Materials and Services
- Maintenance budget increased \$2.4M
 - Increase in overhead percentages
 - Increased salaries for GS and bargaining board employees

FY 2027 O&M - Reclamation (continued)

Administrative and General Expense (A&GE) budget increased \$316k

- Increase in overhead percentages
- Increased salaries for GS and bargaining board employees

FY 2027 Extraordinary Maintenance

Line #		FY 2026 Base Charge	FY 2027 Proposed	Change	%
Bureau of Reclamation					
13	Spillway, Penstock & Dam Abutment Drain Cleaning	500,000	-		
21	Hoover Generator Step-Up (GSU) Transformers	1,468,000	-		
20	Partial Discharge Monitors	50,000	-		
27	Unit N1 Brake Plate Replacement	50,000	-		
1	Power Plant Piping Management Plan	1,275,000	500,000		
2	Fire Piping Plan	1,325,000	500,000		
3	Crane Inspection and Repair	400,000	1,328,000		
4	Tail Bay Stop Logs Coating	500,000	540,000		
5	Penstocks and Lateral Spot Coating	2,250,000	2,730,000		
11	Rock Fall Mitigation	500,000	550,000		
12	Erosion Repair	100,000	700,000		
17	Water Tank Inspection and Repair	860,000	610,000		
22	*Hoover Dam Observation Areas Enhancements	6,000	50,000		
24	*Visitor Center Theaters Renovation	12,000	50,000		
15	Lower Portal Road Erosion Control	100,000	500,000		
25	Cincinnati Boring Mills	750,000	750,000		
10	Public Restroom & Drinking Water System Expansion	-	65,000		
20	Tour Route Refurbishment	-	105,000		
29	Exciter Repair	-	450,000		
**Extraordinary Maintenance		\$ 9,646,000	\$ 9,428,000	\$ (218,000)	-2%

*Southern Nevada Public Land Management Act (SNPLMA) Projects

**Aligned FY 2026 project funding with the FY 2026 base charge; FY 2027 TYOP, reduced by \$500k

FY 2027 Extraordinary Maintenance (continued)

Decrease in Extraordinary Maintenance of \$218k

- Crane Inspection and Repairs
- Tail Bay Stop Log Coating
- Penstock and Lateral Spot Coating
- Rockfall Mitigation
- Erosion Repair
- Lower Portal Road Erosion Control

FY 2027 Replacements - Reclamation

Line #		FY 2026 Base Charge	FY 2027 Proposed	Change	%
#	Bureau of Reclamation				
7	Replace 480-Volt Switchgear	500,000	540,000		
20	A9 Wide Head Turbine	1,500,000	50,000		
21	Breaker Replacements	-	110,000		
22	N2 Wicket Gate & Facing Plates Replacement	-	400,000		
1	Rebuild and Replace Generator Coolers	502,000	502,000		
3	Cylinder Gate Stem Evaluation and Replacement	3,000,000	1,000,000		
5	Replacement Air Compressors		400,000		
9	Unit Control Modernization (UCM) Life Cycle Replacement	887,000	1,024,000		
13	HVAC Replacement and 7th and 8th Floor Renovation	500,000	1,725,000		
12	2300-Volt Vacuum Circuit Breaker Replacement	120,000	520,000		
15	Station Service Battery Replacement	-	610,000		
14	Visitor Center (VC) Distribution Feeders Replacement	910,000	610,000		
Replacements		\$ 7,919,000	\$ 7,491,000	\$ (428,000)	-5%

- Replacements budget decreased \$428k
 - Effort to level project costs

FY 2027 Other Expenses - Reclamation

Other Expenses	FY 2026 Base Charge	FY 2027 Proposed	Change	%
Bureau of Reclamation				
Visitor Services	13,342,000	14,863,000	1,521,000	11%
Payments to States	600,000	600,000	-	0%
Principal and Interest - Flood Control	977,548	978,000	452	0%

- Hoover Dam Visitor Services budget increased \$1.5M
 - Increase in overhead percentages, annual salaries, materials and services
 - Increase in contract and support costs
- Payment to States and Flood Control P&I remain unchanged
- Flood Control investment payoff in 2037

FY 2027 O&M - WAPA

	FY 2026 Base Charge	FY 2027 Proposed	Change	%
Western Area Power Administration				
Transmission Line Maintenance	302,085	308,000		
Communication Systems Support	341,764	400,000		
Phoenix Service Center Costs	282,904	178,000		
Substation Maintenance	722,522	733,000		
Facility Expense	1,649,275	1,619,000	(30,275)	-2%
Power Billing/Collecting	70,750	91,000		
System Operations and Load Dispatching	4,001,400	4,388,000		
Transmission/Engineering Studies	30,900	59,000		
Conservation and Renewable Energy	32,050	44,000		
Financial Management Costs	25,600	45,000		
Power Marketing Costs	1,751,350	1,818,000		
Multiproject Costs	550,950	507,000		
Depreciation	326,041	195,000		
Systemwide Expense	6,789,041	7,147,000	357,959	5%
O&M	\$ 8,438,316	\$ 8,766,000	\$ 327,684	4%

FY 2027 Replacements - WAPA

Replacements	FY 2026 Base Charge	FY 2027 Proposed	Change	%
Western Area Power Administration				
MED 69-kV Breakers Replacement	311,000	170,000		
Relay Replacements - 69-kV Line Relays	310,000	475,000		
Replacements	\$ 621,000	\$ 645,000	24,000	4%

- WAPA's replacement budget varies based on the cost of each project
 - FY 2027 budget is decreasing \$24k, due to managements effort to minimize costs

FY 2027 Interest Expense - WAPA

Interest - CME & Warehouse		FY 2026 Base Charge	FY 2027 Proposed	Change	%
Western Area Power Administration					
	Actual - 2020	26,511			
	Actual - 2021	31,350	31,350		
	Actual - 2022	39,963	39,963		
	Actual - 2023	23,677	23,677		
	Actual - 2024	35,923	35,923		
	Actual - 2025	-	39,117		
Interest - CME & Warehouse		\$ 31,485	\$ 34,006	\$ 2,521	8%

- Based on 5-year average of most recent actuals

FY 2027 Carryover and Non-Power Revenue

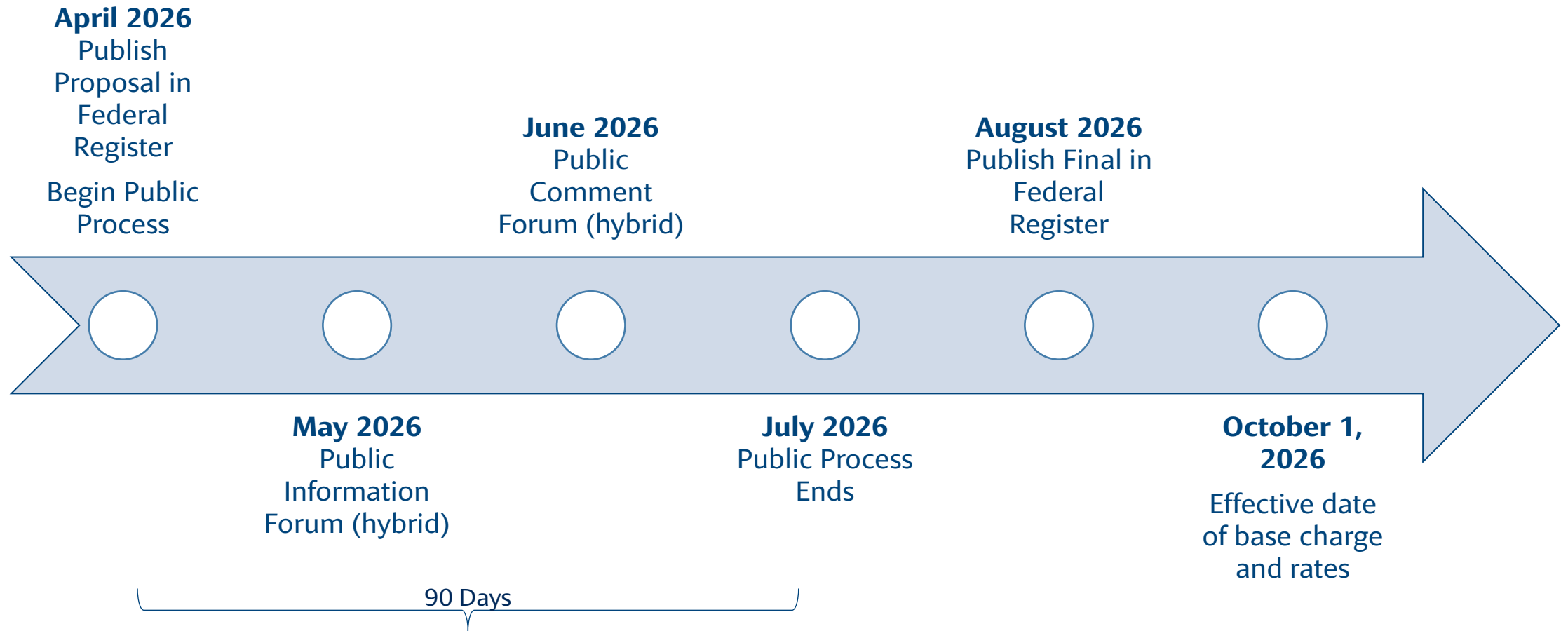
Prior-Year Carryover	FY 2026 Base Charge		FY 2027 Proposed		Change	%
Prior Year Carryover	\$	429,430	\$	(85,894)	\$ (515,324)	-120%
Non-Power Revenue						
Visitor Services		17,000,000		17,000,000		0
Ancillary Services		1,276,056		1,223,369		(52,687)
Water Sales Revenue		550,000		550,000		0
Non-power Revenue	\$	18,826,056	\$	18,773,369	\$ (52,687)	0%

- Prior Year Carryover decreased \$515k
 - Higher execution in FY 2025
 - Allocation of multiyear project funds
- Non-power revenue decreased \$53k
 - Ancillary services projection based on 5-year average of most recent actuals

FY 2027 Proposed Base Charge

	FY 2026 Base Charge	FY 2027 Proposed	Pre-Meeting Cuts	FY 2027 Revised	Change	%
Bureau of Reclamation						
O&M	63,501,000	65,913,000	-	65,913,000	2,412,000	
Replacements	7,919,000	7,491,000	-	7,491,000	(428,000)	
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Principal and Interest	977,548	979,000	-	979,000	1,452	
	86,339,548	89,846,000	-	89,846,000	3,506,452	4%
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<i>less Non-power Revenue</i>	18,826,056	18,773,369		18,773,369	(52,687)	0%
Base Charge	\$ 76,174,568	\$ 80,985,525		\$ 80,603,525	\$ 4,428,957	6%

FY 2027 Tentative Rate Adjustment Timeline



FY 2027 Public Process: Tentative Meetings

Public Information Forum

- 30 days after *Federal Register* notice publication
- Estimated for May 2026, at 10 am MST/PDT
- Hybrid meeting

Public Comment Forum

- 60 days after *Federal Register* notice publication
- Estimated for June 2026, at 10 am MST/PDT
- Hybrid meeting

Meeting information to be posted on DSW webpage:

<https://www.wapa.gov/project/desert-southwest-region/>



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For further information, visit WAPA's BCP rates website at:

<https://www.wapa.gov/about-wapa/regions/dsw/rates/boulder-canyon-project-rates/>