

## QUESTIONS FOR BUREAU OF RECLAMATION

The Gila River Indian Community requests that the Bureau of Reclamation (BOR) provide responses to the questions below:

1. How much electricity (GWh) has been produced for the BOR share in the NGS plant annually from 2012 through 2016 and projected for 2017?

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
(Units = GWh)	4,168	4,426	4,401	3,632	2,819	2,800 (projected)

2. How much has the power cost on a unit basis for each of those years?

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
(Units = \$/MWh)	31.5	31.0	32.2	37.0	43.5	43.0 (projected)

3. How much electric power has the BOR provided to CAWCD for pumping CAP water in each of those years?

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
(Units = GWh)	2,763	2,818	2,757	2,601	1,906	1,900 (projected)

4. How much power has been sold as excess annually from 2012 through 2016 and projected for 2017?

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
(Units –GWh)	1,405	1,466	1,606	1,015	884	800 (projected)

*Cumulative GWh of surplus sold including the SRP super peak sale.*

- a. Has the contract for SRP to buy excess power remained in force since 2012, or have any changes in the arrangement been made?

*No changes have been made.*

- b. How much excess power has been provided to SRP annually from 2012 through 2016 and projected for 2017? Are those amounts in addition to the totals provided in response to questions above?

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
(Units = GWh)	218	218	218	219	221	221 (projected)

5. What is the unit price or the total dollar amount generated by the excess power sales, excluding the SRP arrangement, annually from 2012 through 2016 and projected for 2017?

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
(Units = \$ millions)	29.7	38.5	49.8	21.5	16.8	3.3 (thru Feb)

*Excludes the SRP super peak sale revenue.*

6. If NGS closes, what will happen to the ownership interest BOR has in the Plant's generation?

*The current federal interest in NGS generation will cease if the plant closes because the agreements that define that interest will no longer exist. A new scenario involving a federal role in NGS is likely to require new legislation. Federal obligations for retirement, remediation, and environmental monitoring at the site will remain until completed (minimum monitoring requirement is 30 years).*

7. If NGS closes, will the BOR acquire a similar amount of electric generating capacity elsewhere?

*The amount of power secured by CAWCD as the operating agent for CAP would be less than currently available at NGS. That reduced amount would be equivalent to annual CAP pumping load requirements only (roughly 2,700 GWh); surplus power would not be needed or acquired. It would be very difficult to recover surplus revenue through a market purchase and resale.*

- a. If yes, please describe any plans the BOR has made to accomplish that, or even conceptually how would the BOR go about that?
- b. If no, how will the BOR role change with respect to providing power for pumping CAP water?

*As CAP owner, BOR will continue its oversight role with respect to CAP operation, maintenance, and replacement (OM&R) working closely with CAWCD. How that role evolves post-NGS is yet to be determined. It is our understanding that CAWCD currently plans to secure power for CAP pumping at the most economic price by purchasing from the market initially, and over time building a portfolio of resources to hedge against uncertainty. At the moment, purchasing from the market has an economic advantage over plant ownership, as documented in recent CAWCD Board proceedings.*

8. Is the BOR responsible for providing power for pumping CAP water, or would responsibility fall back to CAWCD?

*This obligation falls to CAWCD as the operating agent for CAP.*

9. Please provide the current CAP Repayment Obligation schedule.

*Attached is a document titled "Central Arizona Water Conservation District Federal Repayment Obligation Exhibit A." Exhibit A refers to Exhibit A of the Stipulated Settlement.*

10. Please provide the Lower Basin Fund balances at the end of fiscal year 2012 through the present year and any projections the BOR has.

*Attached please find a document titled "Development Fund Revenues and Uses." Actual balances from 2002 through 2016 and projected\* balances from 2017 through 2046 are shown in the column titled "Carryover".*

11. If the BOR prepares a sources and uses statement for the Fund, please provide copies for the fiscal year 2012 through the present year and any projections the BOR has.

*Attached please find a document titled "Development Fund Revenues and Uses." The table includes actual Revenues based on CAP Repayment and Investment Revenues, and, actual Expenses for each funding priority for calendar years 2002 through 2016. Projections\* for years 2017 through 2046 are shown in the same columns. Expenditures and projections are paid in priority pursuant to Section 403(f)(2) of the Basin Project Act as amended by the AWSA with priority "A" paid first, priority "B" second, priority "C" third, priority "D" fourth, and priority "E" fifth.*

12. Please provide the list of expenditures, both amount and purpose, from the fiscal year 2012 through the present year and any projections the BOR has.

*Attached please find a document titled "AWSA Expenditures through December 31, 2016." The table displays calendar year expenditures from the Development Fund pursuant to the AWSA. Projections\* for expenditures are displayed by funding priority on the "Development Fund Revenues and Uses" table described above.*

13. Have the protocols for managing the flow of monies in the Fund changed since 2012?  
i.e. source of monies coming into Fund, deployment of monies or priorities of expenditures out of the Fund.

- a. If yes, please describe.

*There have been no substantial changes to protocols for managing the flow of monies in the Fund since 2012. One change that has occurred during this time frame was investment activity. In March 2014 BOR entered into an agreement with the Office of the Special Trustee for American Indians (OST) for the long term investment of funds within the Development Fund. At this time the interest return on the securities BOR was able to invest in were close to zero. The investment through OST has a return of approximately 1%.*

14. Is the BOR responsible for providing any power to sell as excess to support the Fund if NGS closes?

- a. If yes, please describe how this would work? i.e. BOR acquires a certain amount of power and sells it for excess to support the Fund.
- b. If no, does that mean that no excess power revenues would go into the Fund in the future, or would some other entity or source of monies be contributed to support the Fund.

*Excess power sales support the Development Fund only to the extent such sales are available, and such sales will not be available if NGS stops generating. Any lack of excess power sales does not affect the annual contribution to the Fund. NGS excess power sales are first used to offset the OM&R costs of NGS. Any surplus power revenues in excess of these OM&R costs are next applied towards the annual repayment debt that is owed by CAWCD into the Development Fund. This annual repayment debt schedule is attached pursuant to question number 9*

15. Has the BOR developed plans for or projections for the Fund under the eventuality that NGS might close, and if yes, please provide, even if they are conceptual?

*BOR consistently monitors the activities of the Development Fund including projections. In the possibility that NGS closes BOR would still receive CAWCD's annual repayment debt as provided through their repayment schedule; therefore, it is not anticipated that revenues would be impacted in the event the NGS closes. The Development Fund projections provided pursuant to question 11 are a good representation of BOR's projections at this time.*

16. How will the responsibilities provided for by the Fund be met under NGS closure?

*Funding of settlement activities is not dependent on operation of NGS. Funds used to meet the settlement obligations are and will continue to be from CAP repayment revenues and investment income.*

17. Please provide the current schedule of AWSA Funding Expenditures.

*Projections\* for AWSA expenditures are displayed by funding priority on the “Development Fund Revenues and Uses” table described above.*

18. Please provide BOR points-of-contact for follow-up questions on the issues raised in the questions above.

*Follow-Up questions on items 1 through 8 can be addressed to Mr. Ron Smith at (702) 293-8231 [rsmith@usbr.gov](mailto:rsmith@usbr.gov) or Mr. Russ Callejo at (303) 445-2918 [rcallejo@usbr.gov](mailto:rcallejo@usbr.gov). Items 9 through 17 can be addressed by Mr. Lawrence Marquez at (602) 773-6213 [lmarquez@usbr.gov](mailto:lmarquez@usbr.gov) or Mr. Matthew Stemmer at (702) 293-8223 [mstemmer@usbr.gov](mailto:mstemmer@usbr.gov).*

*\*Please note that projections in this table are dependent on a number of assumptions that could result in higher or lower annual carryover balances. Tables display data in a calendar year format.*