

Business Practice Guideline for Rescheduled Central Valley Project Water

NUMBER: Mid-Pacific Region Business Practice Guideline No. 8

DATE: October 15, 2014

SUBJECT: Developing Rates, Identifying Contractor Obligations and Payment Requirements, and Applying Revenue for Rescheduled Central Valley Project (CVP) Water.

Purpose

Provide technical instructions for charging contractors for CVP rescheduled water. This BPG is prepared to be consistent with the Rescheduling Guidelines for the Friant Division (FD) and San Luis Reservoir (SLR).

Applicability

These implementing instructions are effective until amended or rescinded.

Definitions

Contract Year: The year from which water is being rescheduled.

Following Year: The year in which rescheduled water is planned to be delivered.

Source of Rates

<http://www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html>

Rate Development and Payment Requirements for Rescheduled Water	
Water Rate	The water rate is the contract rate from the contract year being rescheduled (Irrigation or M&I Water Rates Book, Schedule A-1). Consistent with contract terms, advance payment of the water rate is due two months prior to scheduled delivery.
Rescheduling Fee	The rescheduling fee is 50% of the contract year storage construction and operation and maintenance (O&M) component rates, as published in the following year Special Water Rates Book (Schedule O-1). The rescheduling fee is due when the contractor submits its final request for rescheduled water, and is non-refundable on the acre-feet of water approved by Reclamation, whether delivered or not. The rescheduling fee should be separately identified on a payment recap when payment is submitted.
Central Valley Project Improvement Act (CVPIA) Charges	Mitigation and Restoration Fund charges and Friant surcharges (if applicable) are contractor obligations upon delivery, and payable before the end of the month following water delivery. Refer to the Irrigation or M&I Water Rates Book, Schedule A-1, for the current (rescheduled year) charge.
Trinity Public Utility District (TPUD) Assessment	TPUD assessments are contractor obligations upon delivery, and payable before the end of the month following water delivery. Refer to the Irrigation or M&I Water Rates Book, Schedule A-1, for the TPUD assessment in effect for the month of delivery.
Late Payments	In accordance with the contract, the contractor shall be subject to interest, administrative and penalty charges on delinquent payments.

Recordkeeping

Payments, deliveries, and charges for rescheduled water delivered will be recorded in the Bureau of Reclamation's Water Operations Record Keeping System (BOR-WORKS) as follows:

Advance Payment of the Water Rate: Advance payment will be recorded in the contractor's advance account. Advances will not be refunded if water cannot be delivered, but will be available to apply to a contractor's other water charges. For non-renewed contracts, advance payments for water will be applied per contract terms.

Rescheduling Fees: Reclamation will assess and record rescheduling fees when requests to reschedule are approved. These fees are non-refundable and may not be applied to other contractor specific obligations.

Charges and TPUD Assessments: The water rate charges, applicable CVPIA charges, and the TPUD assessment will be recorded as revenue in the month rescheduled water is delivered. Any rescheduled water not taken will be charged and recorded as revenue at the end of the contract year, but only in cases where contractors are required to pay for unused water per their contract terms.

Illustration of Rate, Charges, Fees, and Assessments

Example Computation of Applicable Rate, Charges, Fees, and Assessments for 2012 Water Rescheduled for Delivery in March 2013	
Water Rate	Determine the 2012 contract rate from source (2012 CVP Irrigation Water Rates Book, Schedule A-1, column B). (http://www.usbr.gov/mp/cvpwaterrates/ratebooks/irrigation/2012/index.html). Example: Use applicable contractor contract rate.
Rescheduling Fee	Refer to source (2013 CVP Water Rates Book, Special Water Rates Book, Schedule O-1). Example: \$6.91 per acre-foot for irrigation, and \$4.95 per acre-foot for M&I.
CVPIA Charges	Mitigation and Restoration Fund charges and Friant surcharges (if applicable) are contractor obligations upon delivery, and payable before the end of the month following water delivery. Refer to the Irrigation or M&I Water Rates Book, Schedule A-1, for the current (rescheduled year) charge.
Trinity Public Utility District (TPUD) Assessment	<p>Mitigation and Restoration Fund Charge: Use rate in effect on date rescheduled water is delivered (March 2013).</p> <p>Example: \$9.79 per acre-foot for irrigation water, and \$19.58 per acre-foot for M&I water.</p> <p>Friant surcharge (for water diverted from the Friant Division): Use \$7.00 per acre-foot for both irrigation and M&I water.</p> <p>See source (2013 CVP Irrigation or M&I Water Rates Book), Schedule A-1.</p>
TPUD Assessment	<p>\$.05 per acre-foot for both irrigation and M&I water.</p> <p>(Use rate in effect on date rescheduled water is delivered (March 2013).</p> <p>See source (2013 CVP Irrigation or M&I Water Rates Book), Schedule A-1.</p>

Note: Annual CVP Water Rates Books are available on January 1 each year.