

Draft Central Valley Project Final Cost Allocation Study

Frequently Asked Questions

1. What is the purpose of the final Cost Allocation Study?

The purpose of the CVP Cost Allocation Study is to develop criteria that Reclamation will use to determine the final repayment obligations for CVP facilities subject to 2030 repayment. These costs are linked directly to CVP authorized purposes for water supply, power, flood control and water quality.

2. How will the study affect CVP water and power users?

Agricultural water and power users will likely see a slight reduction in repayment responsibility while municipal and industrial water and federal repayment responsibility will increase. The allocations were last updated in 1975, and several regulatory, legal and ecological changes have occurred in the last 40 years. The results of the study are in aggregate and the actual change by facility will be determined during implementation.

3. How does the Central Valley Project Improvement Act affect the study?

The Central Valley Project Improvement Act (CVPIA) is not a part of the cost allocation study. The associated costs are carried through and addressed in a separate initiative.

4. What method was used to conduct the study?

The Separable Costs-Remaining Benefits (SCRB) method was used for the study. This method was adopted for use by Reclamation first in 1954 and was used in the 1956, 1960, 1970, and 1975 CVP cost allocations. A basic principle of the method is that shared uses of combined facilities constructed for multiple purposes results in cost savings to each purpose. The method compares costs and benefits to determine cost assignment to each purpose.

5. What are the next steps?

After the 90-day review period, Reclamation's Mid-Pacific Region will review comments, provide responses to comments, update the Cost Allocation Study to a final draft and submit that draft to the Commissioner for approval. Reclamation will take information from the final approved Cost Allocation Study and use it to implement updated rates with the goal of having those rates in place by the 2021 fiscal year.

6. How will public comments be considered?

Each comment or block of similar comments will be answered and the comments with responses will be included with the final report that goes to the Reclamation Commissioner.