

Foreword

The final Central Valley Project (CVP) water rates for contract year (CY) 2015 and the final CVP annual contractor accountings for fiscal year (FY) 2013 have been posted to the Bureau of Reclamation website.

The final water rates and final annual contractor accountings for the years 2004 through 2015 can be found at

www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html

If you have any questions or need additional information, please contact Mr. Sabir Ahmad at 916-978-5187, or by e-mail at sahmad@usbr.gov.

Site Security Costs

Projected costs for security guards and patrols for FY 2015 are included in the water rates. The estimated total projected costs for Irrigation and M&I are \$3,388,683 and \$499,227 respectively.

Trinity Public Utility District (TPUD) Assessment

In accordance with Public Law 106-377, Section 203, Reclamation is required to collect annually \$162,000 (indexed) for payment to the Trinity Public Utility District. The 2015 assessment rate per acre foot will be \$.23 cents. This assessment along with the restoration charges and Friant surcharges are due within 30 days after the delivery of water.

Water Marketing

Water marketing costs included in the CVP water rates include a general expense calculated as 18.5% of budgeted costs. For the 2015 final rates, the irrigation and M&I estimated general expenses were \$1,373,505 and \$243,495 respectively.

Project Use Energy (PUE) Costs for FY 2013 Accountings

The PUE costs included in the FY 2013 annual CVP contractor accountings are based on the Schedule of Estimated PUE Costs (water rate schedule A-11) from the 2013 Rate Book. It includes a true-up of FY 2012 PUE costs and a FY 2012 true-up for Bella Vista (McConnell Foundation water). The breakdown of the FY 2013 PUE expenses are shown below:

• Estimated PUE Costs from 2013 Schedule A-11	\$22,900,000
• FY 2012 PUE True-up adjustment	(\$1,228,928)
• FY 2012 PUE True-up adj. for Bella Vista (McConnell Adj.)	(\$787.80)
Total Irrigation and M&I PUE Expenses in FY2013	\$21,670,284.20

Extraordinary Operation and Maintenance Cost(XO&M)

CVP XO&M Cost has been included in rates just like regular O&M. PL111-11 allows up to 50 year repayment for this type of cost. Bureau of Reclamation and contractors are currently working to come up repayment period. Below you will find estimated and actual cost allocated as XO&M for the period 2009 through 2015 for irrigation and M&I.

Irrigation Extraordinary Operations and Maintenance costs (XO&M)

Fiscal Year	Estimated cost	Actual cost	Variance
2009	\$ -	\$ 4,192,153.28	\$ (4,192,153.28)
2010	\$ -	\$ 3,451,716.48	\$ (3,451,716.48)
2011	\$ -	\$ 3,385,405.33	\$ (3,385,405.33)
2012	\$ 2,016,701.00	\$ 3,466,279.42	\$ (1,449,578.42)
2013	\$ 2,166,051.00	\$ 2,088,287.70	\$ 77,763.30
2014	\$ 2,208,368.00	TBD	
2015	\$ 2,862,681.00	TBD	
Total	\$ 9,253,801.00	\$ 16,583,842.21	\$ (7,330,041.21)

M&I Extraordinary Operations and Maintenance costs (XO&M)

Fiscal Year	Estimated cost	Actual cost	Variance
2009	\$ -	\$ 510,566.95	\$ (510,566.95)
2010	\$ -	\$ 495,409.10	\$ (495,409.10)
2011	\$ -	\$ 391,925.98	\$ (391,925.98)
2012	\$ 253,151.00	\$ 518,315.51	\$ (265,164.51)
2013	\$ 317,704.00	\$ 361,150.35	\$ (43,446.35)
2014	\$ 327,031.00	TBD	
2015	\$ 417,859.00	TBD	
Total	\$ 1,315,745.00	\$ 2,277,367.89	\$ (961,622.89)

Federal Investments

CVP allocated construction cost and repayment through September 30, 2013 are shown below.

CONSTRUCTION COST Allocation by Function thru FY 2013				
RECLAMATION	TOTAL ALLOCATED COST	REPAYMENT To Reclamation THRU 9/30/2013	UNPAID Allocated Costs	Percentage Re-paid
IRR	\$1,173,190,978	\$525,044,264	\$595,466,444	44.8%
M&I	\$121,559,629	\$115,140,168	\$6,419,460	94.7%
OTHER ENTITIES				
Commercial Power	\$860,529,950			
Federal Taxpayer	\$765,859,544			
State of California	\$148,255			
Capital Relief Assigned (ATP)	\$52,680,270			
Local Entities	\$261,400			
Total	\$2,974,230,026			

Cost Allocation Study Cost

CVP Cost Allocation Study Cost has been included annually in the Water marketing cost component. The annual amount and year incurred are as follows:

FY's	Estimated (budgeted cost)	Actual Cost
2010	\$750,886	\$433,553
2011	\$700,000	\$665,700
2012	\$700,000	\$390,000
2013	\$740,091	487,197
2014	\$2,120,635	No Actual Yet
Total	\$5,011,612	1,976, 450

Significant Adjustment between Draft Rates and Final Rates

Schedule A-9 (Irrigation and M&I)-Unfunded Delta Barrier and Wheeling Cost

Reclamation currently has a Use of Facilities Agreement with the Department of Water Resources (DWR) for 2012 through 2016; whereby, Reclamation has agreed to pay DWR for the operations and maintenance costs for conveying water that is pumped at Banks Pumping Plant and conveyed to O'Neill Forebay through the California Aqueduct. Reclamation has agreed to pay the portion of the costs associated with the installation, operation, maintenance, and removal of the temporary barriers. The operation of the barriers is essential to utilizing Banks Pumping Plant to convey CVP water. In the past, the Central Valley Operations Office has budgeted annually an amount to cover anticipated conveyance charges; however, beginning in 2012, the funding has not been available to support this action. As of December 9, 2014, this is considered an unfunded need. Reclamation believes that funding will be secured for this purpose; therefore, \$3.65 million has been included in the O&M for the 2015 final rates.

Schedule A-9(Irrigation and M&I)-Cost Allocation Study Cost

The Central Valley Operations Office has budgeted annually an amount to cover anticipated Cost Allocation Study charges; however, for 2015, the funding for CAS has not been fully obtained. As of December, 2014, this is considered an unfunded need. Reclamation believes that funding will be secured for this purpose; therefore, \$1.29 million has been included in the O&M for the 2015 final rates.

Questions

Please direct any questions regarding the CVP 2015 final water rates or the CVP 2013 annual contractor accountings to Mr. Sabir Ahmad at 916-978-5187, or by email at sahmad@usbr.gov.