

SLCA/IP FY 2006 Rate Adjustment

Informal Customer
Meeting

October 27, 2004

SLCA/IP Firm Power Rate Topics

- ◆ Schedule for Rate Adjustment Process
- ◆ Existing Rate
- ◆ Components of Existing and Proposed Rates
- ◆ Outstanding Firm Power Issue
- ◆ Purchased Power Costs

Tentative Rate Adjustment Schedule

Informal Meeting	October 27, 2004
Publication of FRN	January 18, 2005
Public Information Forum	February 23, 2005
Public Comment Forum	March 16, 2005
End of Comment Period	April 18, 2005
Effective Date	October 1, 2005

SLCA/IP Firm Power Rate

- ◆ Current firm power rate (SLIP-F7)
 - Effective Oct. 1, 2002
 - Energy: 9.5 mills/kWh
 - Capacity: \$4.04 kW/month
 - Composite Rate: 20.72 mills/kWh

SLCA/IP Firm Power Rate

Item	Unit	Current Rate
Rate Setting Period:		
Beginning year	FY	2003
Pinchpoint year	FY	2060
Number of rate setting years	Years	58
Revenue Requirements:		
<i>Annual expenses</i>	1,000	\$88,014
<i>Annual principal payments</i>	1,000	\$67,767
Total Annual Revenue Requirements	1,000	\$155,781
(Less Offsetting Annual Revenue:)	1,000	(\$26,284)
Net Revenue Requirements	1,000	\$129,497
Energy Sales	MWH	6,250,518
Capacity Sales	kW	1,447,646
Composite Rate	mills/kWh	20.72
Billing Rates:		
Energy Rate	mills/kWh	9.5
Capacity Rate (per month)	\$/kW-month	4.04

SLCA/IP Marketable Energy

Unit: MWH

Year	<u>10/1/2002 1/</u>			<u>10/1/2003 2/</u>		
	SHP	Project Use	Total	SHP	Project Use	Total
2003	6,007,609	163,040	6,170,649	N/A	N/A	N/A
2004	6,007,609	171,040	6,178,649	4,562,591	154,940	4,717,531
2005	6,007,609	179,040	6,186,649	4,557,490	154,940	4,712,430
2006	6,007,609	179,040	6,186,649	4,655,310	172,940	4,828,250
2007	6,007,609	240,040	6,247,649	4,753,140	181,940	4,935,080
2008	6,007,609	240,040	6,247,649	4,850,960	194,940	5,045,900
2009	6,007,609	224,240	6,231,849	4,948,780	218,340	5,167,120
2010	6,007,609	230,240	6,237,849	4,948,780	249,540	5,198,320
2011	6,007,609	249,240	6,256,849	4,948,780	255,540	5,204,320
2012-2060	6,007,609	249,240	6,256,849	4,948,780	252,140	5,200,920
Average 3/	6,007,609	242,909	6,250,518	4,938,109	247,784	5,185,892

1/ As included in the current SLCA/IP firm power rate.

2/ As revised on October 1, 2003.

3/ During rate setting period.

SLCA/IP Study Comparisons

See Revenue Requirements Comparison Tables

Composite Rate Discussion

129.4 Million/5185.8
GWH=
24.97 mills/kWh

Composite Rate=
Revenue Requirements
GWH for sale

Or

129.4 Million/6250.5
GWH =
20.72 mills/kWh

Purchase Power Comparisons

Unit: \$1,000

	Current Rate 1/	17-Jun-04 Prelim PRS 2/	27-Oct-04 Prelim PRS 3/
Purchased power:			
2003	59,490		
2004	27,270		
2005	-	43,500	53,700
2006	740	1,400	34,990
2007	3,700	6,000	15,810
2008	3,700	8,000	16,860
2009	3,180	12,000	14,220
2010	3,380	2,000	15,860
2011	4,000	2,000	16,180
2012-2060	4,000	2,000	16,000
Average 4/	5,198	2,353	16,326

1/ Reclamation's forecast of average hydrology was used for 2005-2060.

2/ Purchased power for WY 2005 was based on data from the April, 2004 24-month study. FYs 2006-2009 were based on a "most probable" Estimate. Out years projections of \$2 million per year were for misc. operations power needs only.

3/ In the October preliminary 2004 PRS, purchased power is based on Reclamation's Aug 2004 24 month plan for FY 2005. Projections for 2006-2008 Were based on Reclamation's July 2004 median hydrology estimates. Out years projections beyond 2008 were based on average hydrology Estimates by Reclamation in July 2004.

4/ During rate setting period.

Outstanding Firm Power Issue

- ◆ Future Aid to Irrigation Costs
 - Rate effect of 0.69 mill decrease in the composite rate
 - Changes pinch-point to 2025
 - Include in PRS the draft DPR when finalized

Rate Comparison Table

Rate Schedule	Current Rate October 1, 2002 – September 30, 2007 (SLIP-F-7)	Proposed Rate October 1, 2005 – September 30, 2010 (SLIP-F8)	Change
Base Rate:			
Energy: (mills/kWh)	9.5	11.8	2.3
Capacity: (\$kW/month)	4.04	5.01	.97
Composite Rate: (mills/kWh)	20.72	28.65	7.93

Questions

SLCA/IP Firm Power

Information: www.wapa.gov/crsp

Rates Team

CAROL LOFTIN
TEAM LEAD
RATES MANAGER
801-524-6380

SLIP FIRM POWER RATE
AND CRSP PRS:
PAUL STUART
801-524-3526

TRANSMISSION, SMALLER PROJECTS,
& ANCILLARY SERVICES:
RODNEY BAILEY
801-524-4007

LOGISTICS:
TAMALA GHELLER
801-524-6388