

3.6 Fish Cost Contingency Fund Calculation

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This section documents the FCCF credits found in the revenue forecast for the rate period (*i.e.*, FY 2002- 2006). This section is composed of two pages excluding this title page. The first sheet shows the beginning reserve balance and the potential FCCF reserve reductions if that water condition were to recur. There are several things worth noticing about this table. First, notice that there is a potential FCCF reduction in only 15 water years. This is because only the 15 worst water conditions qualify for the FCCF credit. Second, notice that the beginning FCCF reserve balances differ depending upon what water year happens to occur. For example, water year 1929 has beginning reserve of \$291.1 million, while water year 1930 has beginning reserves of \$122.5 million. Then water year 1931 has reserves of 135.9 million. The beginning reserves differ because some of the reserves are accessed in FY 2001.

Reserves are accessed in FY 2001 because there is some chance they will be needed. Then there is less than \$325 million in FCCF credits available when 1929 water conditions occur. The years preceding 1930 include 1978, and 1929. A recurrence of 1929 water conditions reduces FCCF credits leaving less available if 1,930 water conditions recurred. The beginning reserve balance is important because it imposes a limit on how much FCCF credit can be expected during the rate period if a particular water condition recurs. The columns labeled FY 2002 through 2006 indicate the net revenue difference (short-term sales less power purchases) between that water condition and the 16 lowest revenue condition, and these values are compared to the beginning reserve balances.

On the second page of this documentation, there are calculations associated with the various FYs. In FY 2002, if 1929 water conditions recur, the maximum credit would be \$291.1 million. This is less than the net revenue differences because the beginning FCCF reserves were only \$291.1 million. The average of all the FCCF credits for FY 2002 is \$51.4 million. This amount shows up in the revenue forecast.

The calculation of the FCCF credit for FY 2003 takes into account credits accessed in FY 2001 and 2002. The analysis assumes that in FY 2003, the first year of this study follows the first year of the FY 2002 run. Consequently the first water to be examined is 1930. If 1930 water conditions recur (after experiencing 1929 water conditions in FY2002), there are no more reserves left and the FCCF credit is zero. Similarly, if 1931 water conditions recur after experiencing 1930 water conditions in FY 2002, there are no credits left to access. If 1936 water conditions recur after experiencing 1935 water conditions the previous year, then the entire shortfall of \$162.1 million is accessible. The average of all FCCF credits for FY 2003 is \$33.3 million.

The calculation of the FCCF credit for FY 2004 through 2006 takes into account credits accessed in previous years. The FCCF credits are averaged to obtain an expected FCCF credit for each FY. Because each year takes into account the credits granted in the preceding years, the expected FCCF credits shown in the revenue forecast and at the bottom of page two of this section gradually shrink. The amounts for FY 2004 through 2006 are \$22.7 million, \$16.1 million, and \$6.9 million.

Beginning Reserve Balance	202.6	202.6	Ending Reserve Level
Credit for Fiscal year '02 :	0.0	202.6	
Credit for Fiscal year '03 :	202.6	0.0	
Credit for Fiscal year '04 :	0.0	0.0	
Credit for Fiscal year '05 :	0.0	0.0	
Credit for Fiscal year '06 :	0.0	0.0	

Note: Beginning Reserve Balance Reflects Potential Reserve Reductions from FY 2000-FY2001

Water Year	Reserves	FY 02	FY 03	FY 04	FY 05	FY 06
	Beginning FY02					
1929	291.12	339.51	332.91	355.19	367.04	391.77
1930	122.48	357.38	343.84	352.59	379.79	401.18
1931	135.93	459.09	418.30	458.40	451.51	485.82
1932	90.65	177.72	145.04	170.85	186.12	205.24
1933	179.32	0.00	0.00	0.00	0.00	0.00
1934	325.00	0.00	0.00	0.00	0.00	0.00
1935	325.00	0.00	0.00	0.00	0.00	0.00
1936	325.00	149.57	131.70	168.33	153.32	181.47
1937	204.87	403.64	397.69	409.54	437.21	459.30
1938	136.93	0.00	4.11	11.07	9.34	20.71
1939	325.00	137.43	115.15	133.64	139.55	153.04
1940	221.76	149.19	142.79	148.75	150.80	178.42
1941	261.31	255.85	271.56	266.89	288.40	315.09
1942	180.24	0.00	0.00	0.00	0.00	0.00
1943	318.70	0.00	0.00	0.00	0.00	0.00
1944	325.00	372.75	363.76	378.71	402.85	438.70
1945	162.87	312.65	297.52	312.86	330.44	349.63
1946	147.83	0.00	0.00	0.00	0.00	0.00
1947	325.00	0.00	0.00	0.00	0.00	0.00
1948	325.00	0.00	0.00	0.00	0.00	0.00
1949	325.00	65.81	48.22	68.74	52.15	93.19
1950	325.00	0.00	0.00	0.00	0.00	0.00
1951	325.00	0.00	0.00	0.00	0.00	0.00
1952	325.00	0.00	0.00	0.00	0.00	0.00
1953	325.00	0.00	0.00	0.00	0.00	0.00
1954	325.00	0.00	0.00	0.00	0.00	0.00
1955	325.00	0.00	0.00	0.00	0.00	0.00
1956	325.00	0.00	0.00	0.00	0.00	0.00
1957	325.00	0.00	0.00	0.00	0.00	0.00
1958	325.00	3.37	0.00	0.00	0.00	0.00
1959	325.00	0.00	0.00	0.00	0.00	0.00
1960	325.00	0.00	0.00	0.00	0.00	0.00
1961	325.00	0.00	0.00	0.00	0.00	0.00
1962	325.00	0.00	0.00	0.00	0.00	0.00
1963	325.00	0.00	0.00	0.00	0.00	0.00
1964	325.00	0.00	0.00	0.00	0.00	0.00
1965	325.00	0.00	0.00	0.00	0.00	0.00
1966	325.00	0.00	0.00	0.00	0.00	0.00
1967	325.00	0.00	0.00	0.00	0.00	0.00
1968	325.00	0.00	0.00	0.00	0.00	0.00
1969	325.00	0.00	0.00	0.00	0.00	0.00
1970	325.00	0.00	0.00	0.00	0.00	0.00
1971	325.00	0.00	0.00	0.00	0.00	0.00
1972	325.00	0.00	0.00	0.00	0.00	0.00
1973	325.00	151.19	130.88	131.87	132.75	145.13
1974	303.59	0.00	0.00	0.00	0.00	0.00
1975	325.00	0.00	0.00	0.00	0.00	0.00
1976	325.00	0.00	0.00	0.00	0.00	0.00
1977	325.00	370.29	356.81	368.44	394.04	427.02
1978	202.60	0.00	0.00	0.00	0.00	0.00
AVERAGE	286.7	74.1	70.0	74.7	77.5	84.9

FCCF Credits (\$Million)

Water Year	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1929	291.1	202.6	0.0	0.0	0.0
1930	122.5	0.0	0.0	0.0	0.0
1931	135.9	0.0	0.0	0.0	0.0
1932	90.7	0.0	0.0	0.0	0.0
1933	0.0	0.0	0.0	0.0	0.0
1934	0.0	0.0	0.0	0.0	0.0
1935	0.0	0.0	0.0	0.0	0.0
1936	149.6	131.7	168.3	153.3	0.0
1937	204.9	175.4	193.3	156.7	26.0
1938	0.0	0.0	0.0	0.0	0.0
1939	137.4	115.2	0.0	0.0	0.0
1940	149.2	142.8	21.8	0.0	0.0
1941	255.9	72.6	44.8	0.0	0.0
1942	0.0	0.0	0.0	0.0	0.0
1943	0.0	0.0	0.0	0.0	0.0
1944	325.0	318.7	180.2	5.5	0.0
1945	162.9	0.0	0.0	0.0	0.0
1946	0.0	0.0	0.0	0.0	0.0
1947	0.0	0.0	0.0	0.0	0.0
1948	0.0	0.0	0.0	0.0	0.0
1949	65.8	48.2	68.7	52.1	0.0
1950	0.0	0.0	0.0	0.0	0.0
1951	0.0	0.0	0.0	0.0	0.0
1952	0.0	0.0	0.0	0.0	0.0
1953	0.0	0.0	0.0	0.0	0.0
1954	0.0	0.0	0.0	0.0	0.0
1955	0.0	0.0	0.0	0.0	0.0
1956	0.0	0.0	0.0	0.0	0.0
1957	0.0	0.0	0.0	0.0	0.0
1958	3.4	0.0	0.0	0.0	0.0
1959	0.0	0.0	0.0	0.0	0.0
1960	0.0	0.0	0.0	0.0	0.0
1961	0.0	0.0	0.0	0.0	0.0
1962	0.0	0.0	0.0	0.0	0.0
1963	0.0	0.0	0.0	0.0	0.0
1964	0.0	0.0	0.0	0.0	0.0
1965	0.0	0.0	0.0	0.0	0.0
1966	0.0	0.0	0.0	0.0	0.0
1967	0.0	0.0	0.0	0.0	0.0
1968	0.0	0.0	0.0	0.0	0.0
1969	0.0	0.0	0.0	0.0	0.0
1970	0.0	0.0	0.0	0.0	0.0
1971	0.0	0.0	0.0	0.0	0.0
1972	0.0	0.0	0.0	0.0	0.0
1973	151.2	130.9	131.9	132.8	145.1
1974	0.0	0.0	0.0	0.0	0.0
1975	0.0	0.0	0.0	0.0	0.0
1976	0.0	0.0	0.0	0.0	0.0
1977	325.0	325.0	325.0	303.6	173.8
1978	0.0	0.0	0.0	0.0	0.0
Average	51.4	33.3	22.7	16.1	6.9