



Memo to: Central Valley Project Market Participants

From: Charles J. Faust, Rates Manager  
Sierra Nevada Region

Date: December 1, 2009

Subject: Proposed Capital Improvement Projects Estimated Rate Effect on Transmission

### **Sacramento Voltage System (SVS) – Estimated Transmission Rate Effect**

In conjunction with an Operation and Maintenance Technical Committee request in October 2008, Western analyzed the estimated rate effect of the SVS project. Based on updated financial data, Western re-analyzed the transmission rate effect of the SVS project. Western estimates a 35.7% rate increase to the Central Valley Project Transmission Revenue Requirement due to the SVS project.

For rate purposes, this project is anticipated to go into service in FY 2011, with the estimated rate in effect occurring in April 2012. Therefore, given estimates of 2012 data, we evaluated the rate effect of SVS separately. The rate changes attributable to SVS are: (1) an increase in the transmission facility ratio and cost assigned to transmission, (2) increased project costs, (3) increases in interest expense and depreciation expense, and (4) projected additional sale of firm transmission capacity of 140 MW.

Please direct questions regarding this information to Rates Manager, Mr. Charles J. Faust at [Faust@wapa.gov](mailto:Faust@wapa.gov), or by phone at 916-353-4468.