

Of the total annual operating costs of \$48.91 million, \$4.89 million is assigned as reimbursable. Included is the sinking fund component required to completely replace the desalting and thermal pumping power facilities throughout the payout period at 30-year intervals. Hydrologic studies of the Colorado River with augmentation show that, on a probability basis, there will be years in which reservoirs will be full and no augmentation water can be beneficially used. Because of the dual-purpose nature of the nuclear complex and the need for continued production of commercial power, discontinuation of operations for extended periods is not economic. The variable operating costs for the desalting plant and the thermal pumping power, excluding all replacement and other fixed charges, represents a small percentage of the total production costs. Consequently, it was assumed that, at a minimum, the operating costs could be returned by interim sales of product water near the site or along the aqueduct. To simplify the repayment analysis, these sales are reflected as a small reduction in the desalting and thermal pumping power portions of the operating costs.

As presented in the detailed payout schedule (Table I), the repayment analysis demonstrates that all reimbursable costs can be returned well within the allowable periods from Development Fund revenues. As indicated earlier, those revenues include surplus power revenues from the Boulder Canyon and Parker-Davis Projects, the portion of Pacific Northwest-Pacific Southwest Intertie located in the States of Nevada and Arizona, and the Central Arizona Project, all after completion of project payout. Revenues accumulated from these sources and the balances remaining in the Development Fund after repayment of augmentation costs are shown below for year 2029, representing 50 years after first year of full operation of the Central Arizona Project, and year 2059, reflecting 50 years after completion of augmentation works.

[In millions of dollars]

	Year 2029	Year 2059
Contributions (cumulative):		
Hoover.....	486	857
Parker-Davis.....	101	222
Intertie.....	42	130
Central Arizona project.....		918
Total.....	629	2,127
Development fund balance after repayment of augmentation costs.....	192	1,551