

Exhibit C

Payment Formulas

Within these formulas, any Sites Project Costs shall not include financing costs or any legal costs associated with actions that would create harm to the CVP, its water rights, and federal facilities.

Fixed Project Costs

Reclamation's Fixed Project Costs, shall be determined in accordance with the following formula:

$$FPC = [BFC \times BCI] + [DFC \times DCS]$$

Where:

FPC = Reclamation's Fixed Project Costs

BFC = Fixed Project Costs allocable to Base Facilities

BCI = Reclamation's Base Facilities Capacity Interest

DFC = Fixed Project Costs allocable to Downstream Facilities

DCS = Reclamation's Downstream Facilities Capacity Interest,

Fixed O&M Costs

Reclamation's Fixed O&M Costs shall be determined in accordance with the following formula:

$$FOMC = [BFOMC \times BCI] + [DFOMC \times DCS]$$

Where:

FOMC = Fixed O&M Costs

BFOMC = Fixed O&M Costs allocable to Base Facilities

BCI = Reclamation's Base Facilities Capacity Interest

DFOMC = Fixed O&M Costs allocable to Downstream Facilities

DCS = Reclamation's Downstream Facilities Capacity Interest

Variable O&M Costs

Reclamation's Variable O&M Costs shall be determined in accordance with the following formula:

$$\text{VOMC} = [(\text{PWP} / \text{TWP}) \times \text{BPVOMC}] + [(\text{PWR} / \text{TWR}) \times \text{BRVOMC}] + [(\text{PWRD} / \text{TWRD}) \times \text{DVOMC}]$$

Where:

VOMC = Variable O&M Costs

PWP = Sites Water conveyed into Sites Project Facilities attributable to Reclamation

TWP = Total Sites Water conveyed into Base Facilities

BPVOMC = Variable O&M Costs allocable to Sites Water conveyed into Base Facilities

PWR = Sites Water released from Base Facilities attributable to Reclamation

TWR = Total Sites Water released from Base Facilities

BRVOMC = Variable O&M Costs allocable to Sites Water released from Base Facilities

PWRD = Sites Water released from Base Facilities that flows into Downstream Facilities attributable to Reclamation

TWRD = Total Sites Water released from Base Facilities that flows into Downstream Facilities

DVOMC = Variable O&M Costs allocable to Downstream Facilities