The Department of the Interior today reported approval of a contract between the Bureau of Reclamation and the Northern Colorado Water Conservancy District under which the District will repay the United States for the loss of any Colorado-Big Thompson Project hydropower revenues and any increased pumping costs caused by changes in the pattern of water deliveries to the District.

The Colorado-Big Thompson Project diverts water from the upper Colorado River through the Continental Divide to irrigate more than 700,000 acres of eastern slope lands and to supply water to various municipalities and water user associations within the area of the Northern Colorado Water Conservancy District.

In recent years there has been a trend toward increasing diversions of project water into Carter Lake before it has passed through Big Thompson Powerplant and towards increased pumping of water from Flatiron Reservoir into Carter Lake. The increased deliveries of water to Carter Lake are necessitated by the growing demands for municipal and industrial water supplies by the City of Boulder and other eastern slope communities, and have resulted in losses of power production at the Big Thompson Powerplant and increased costs of pumping water into Carter Lake.

Additional reductions in the quantity of water routed through other eastern slope powerplants are in prospect with the development of demands for water deliveries for communities such as Estes Park.

The resultant losses in project power revenues must be compensated for since it is essential that the revenue-producing capability of the project power system be preserved in order to assure project payout within the authorized repayment period. The approved contract provides a sliding scale formula for annual payments by the Northern Colorado Water Conservancy District to compensate for power production losses.
The annual payments by the District will depend upon the number of acre-feet of water diverted from project facilities above one or more of the eastern slope powerplants and the number of powerplants affected. While water diverted into Carter Lake would result in power production losses only at Big Thompson Powerplant, any diversions at the eastern portal of the Alva B. Adams tunnel would result in losses in generation at all five eastern slope powerplants -- Marys Lake, Estes, Pole Hill, Flatiron, and Big Thompson -- as the project water supplies drop nearly 3,000 feet from the trans-mountain diversion tunnel to the plains below. Annual payments under the contract formula will fully compensate the Colorado-Big Thompson Project for interference with power generation at any or all of these powerplants.

The approved contract, a supplement to the existing repayment contract with the Northern Colorado Water Conservancy District, will be executed in the field by officials of the District and by the Bureau of Reclamation's Regional Director in Denver, Colorado.