

From: [Tech Forum](#)
To: [Tech Forum](#)
Subject: BPA Financial Reserves Review Process Update
Date: Tuesday, March 26, 2019 11:57:57 AM

Bonneville Power Administration

Requested Action: Information Only

Subject Description:

The Bonneville Power Administration is providing stakeholders an update on the ongoing review of its financial reserves attribution between its Power Services and Transmission Services business units. BPA remains committed to engaging in a thorough and transparent process.

During a workshop on March 11, 2019, BPA shared its initial findings on an error discovered in the cash model that allocates cash between its business units. The modeling error occurred in the intergovernmental payments and collections (IPAC) module, which is one of ten modules used to allocate cash transactions between the business units. During the workshop, BPA described the error and staff's initial leanings on addressing the error. BPA asked that questions on the proposal be submitted by March 15, 2019 (with response from BPA due on March 29), and that comments on staff's leanings be submitted by April 9. BPA planned to resolve the error by the April 30 Quarterly Business Review webinar.

Following the March 11 meeting, BPA received over 90 questions from interested parties. In consideration of the time needed to provide meaningful responses, and in response to concerns about the process moving too quickly, BPA is revising its timeline for this process. In particular, BPA intends to delay making a decision on the correction to the IPAC module until the internal review process for all ten modules is completed and the results validated by an external third party. An updated high-level timeline is provided below. This timeline is subject to change as the financial reserves review progresses. BPA will continue to post answers to questions submitted as they are available.

BPA recognizes the significance of the second quarter end-of-year financial reserves forecast for customers. BPA intends to share a second-quarter reserves forecast at the second quarter QBR. That forecast will include staff's March 11 leaning on the IPAC module correction. By including staff's leanings in the forecast, BPA is not making a final decision on how BPA may address the IPAC module allocation error (or any other errors that may be found in the cash model). BPA will make a final decision on the correction of the IPAC module allocation error once the review process of all ten modules is complete.

Information related to this process, including responses to questions, is available at the [Financial Reserves Review](#) webpage.

Financial Reserves Review Process	
Date	Item
March 29, 2019	BPA posts available responses to questions received on March 15. Additional responses will be posted once completed.
April 30, 2019	BPA hosts second quarter Quarterly Business Review.
May/June, 2019	BPA provides financial reserves review status updates as needed.
June 2019	BPA holds a meeting to share proposal for resolving financial reserves error. Comment period begins.
Late July, 2019	Public comments due.

September 2019

BPA issues decision on resolution of financial reserves errors.

For the most up-to-date calendar of events, please visit the [BPA Event Calendar](#).

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