

General IPR Follow Up Questions

- 1. Please provide the most current forecast for end of year actual expenditures of 2018 IPR costs for both Power and Transmission. Please describe major sources of variance between rate case budget and projected actuals.**

The Quarterly Business Review on July 31, 2018 will cover FY18 business performance and progress towards BPA's strategic objectives. Also, detailed quarterly financial information and monthly postings are available on the [financial overview web page](#).

- 2. Please provide actual and budgeted spending in IPR cost areas for both Transmission and Power for FY 2014 through FY 2017 and describe major sources of variance between budgets and actuals. Please provide similar data for FY 2018 budgets and current projections of end of year actuals.**

BPA's historical fiscal year actual financial results, forecasts of BPA's financial position at the end of the fiscal year, comparisons of actual financial results to start-of-year budgets and rate case assumptions, are publically available and can be found by accessing the following links:

<https://www.bpa.gov/Finance/FinancialInformation/QuarterlyReports/Pages/Prior-Fiscal-Years.aspx>

<https://www.bpa.gov/Finance/FinancialInformation/FinancialOverview/Pages/FY2018.aspx>

- 3. Please explain how the expense and capital dollars flow into the revenue requirement as currently identified. What is the specific definition of Program Costs for this proceeding and could BPA provide a table showing all revenue requirement cost components with Program Costs as separate line items?**

The IPR initial publication describes IPR program costs which is everything that is in scope of the IPR. Certain cost categories are excluded since they are determined in the rate case or are fixed by settlement. Those materials can be found posted on the following link:

<https://www.bpa.gov/Finance/FinancialPublicProcesses/IPR/Pages/IPR-2018.aspx>

The revenue requirement tables for the program costs will be shown at the July 25, 2018 Revenue Requirement Workshop.

- 4. Please provide a table of "potential power rate effects" with estimated changes from FY 18/19 to FY 20/21 similar to the table BPA provided for its 2016 IPR Kick-off presentation showing estimated changes from FY 16/17 to FY 18/19 and break outs of estimated IPR Expenses, Non-IPR Costs, and Revenue Changes.**

This request is outside the scope of the IPR process, for information pertaining to Revenue Requirements please participate in the July 25, 2018 Revenue Requirement Workshop.

- 5. Given that BPA's Strategic Plan goes out through 2023 and many of the spending projections provided in the IPR go out well beyond 2023, could BPA provide a projection**

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of PF rates that extends out at least through 2023 and is based on proposed IPR expense levels and BPA’s commitment in the Strategic Plan to hold program costs at or below the rate of inflation?

This request is outside the scope of the 2018 IPR process.

- 6. Please provide an update BPA’s “preferred scenario” presented at the May 22nd Strengthening Financial Health Capital Financing Workshop based on the capital programs outlined in the IPR presentations including the June 19th Federal Hydro Presentation and the June 20th Transmission Presentation.**

This request is outside the scope of the 2018 IPR process; please monitor the Access to Capital & Financial Reserves website for updates at the following link:

<https://www.bpa.gov/Finance/FinancialPublicProcesses/Pages/Access-to-Capital.aspx>

- 7. Please expand the data included in this table on page 12 of the Detailed Publication, as listed below. Please provide in excel format.**

a) Please provide the “rate case” values for 2016-2017 for each category.

b) Please provide the “actuals” and “rate case” values for historic rate periods starting in 2010.

BPA’s historical fiscal year financial results and rate case assumptions are publically available and can be found by accessing the following links:

<https://www.bpa.gov/Finance/FinancialInformation/QuarterlyReports/Pages/Prior-Fiscal-Years.aspx>

<https://www.bpa.gov/Finance/FinancialInformation/FinancialOverview/Pages/FY2018.aspx>

- 8. Please provide any additional information available on actual execution of capital programs compared to budget, for all categories but particularly transmission and fed hydro.**

BPA’s historical financial results and budget assumptions for BPA’s capital programs are publically available and can be found by accessing the following links:

<https://www.bpa.gov/Finance/FinancialInformation/FinancialOverview/Pages/FY2018.aspx>

<https://www.bpa.gov/Finance/FinancialInformation/FinancialOverview/Pages/fy2017.aspx>

<https://www.bpa.gov/Finance/FinancialInformation/FinancialOverview/Pages/fy2016.aspx>

<https://www.bpa.gov/Finance/FinancialInformation/QuarterlyReports/Pages/Prior-Fiscal-Years.aspx>

Additional details pertaining to capital investment programs can be found in the detailed IPR publication.

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9. Please describe your internal process for using data on actual execution of capital programs to develop proposed capital spending levels.

Capital projections are based the total of multi-year projects that are in execution, new capital projects that we are prepared to fully execute in the fiscal year and new starts of multi-year projects during a given fiscal year. Unforeseen events and changing environments can result in variances from planned capital spend for the year.

10. Please confirm the impacts on the presented capital related cost projections for FY20-21 are not affected by the adoption or non-adoption of a new leverage policy.

The capital-related costs did not include anything related to the leverage policy.

11. On Slide 6 of the F&W presentation, BPA presents an estimated total annual average cost of fish and wildlife actions for FY20-21 of \$455 million (not including TBD UNSLICED hydro operations effects). This implies that BPA rate payers will be responsible for all of these costs, yet during the Spill Surcharge process it was explained that BPA receives a credit from the US Treasury of 22.3% of on fish and wildlife costs (Overview of Preliminary Fy206 Spill Surcharge, May 8, 2018). The 4(h)(10)(C) fish credits were explicitly removed from the spill surcharge cost projection in the Spill Surcharge Formula. For consistency, it would be very helpful to include a projection of US Treasury credits that will be received to offset the total costs presented in Slide 6. Would it be possible to have the US Treasury credit added to Slide 6 (Contribution of US tax payers) AND to have an explanatory slide added to the presentation on how the 4(h)(10)(C) US Treasury credit impacts the actual cost of fish and wildlife included in BPA rates?

The information requested is outside of the scope of the IPR process. There will be a Revenue Requirement workshop held on July 25th and there you can find out more about expected 4h10c credits in FY 20-21. In regards to modifying the chart on slide 6, this chart only reflects costs and not revenues. For more information please refer to the Power Income Statement on BPA's [Financial Overview webpage](#) in combination with the River of Money (slide 6) graphic.

