

BPA NEWS

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BONNEVILLE POWER ADMINISTRATION
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BPA makes U.S. Treasury payment on time and in full for 34th consecutive year

Portland, Ore. – The Bonneville Power Administration made its 34th consecutive annual payment to the U.S. Treasury on time and in full. The total payment was for \$1.3 billion for fiscal year 2017, which ended Sept. 30. BPA’s cumulative payments to the U.S. Treasury during those 34 years amount to more than \$28.9 billion.

“The Treasury payment this year includes a repayment of high-interest-rate debt which enabled us to deliver significant interest savings to our ratepayers in the form of lower power rates than they would have otherwise been in the upcoming rate period,” said Mary Hawken, acting executive vice president and chief financial officer.

Completing the Treasury payment is the last financial transaction BPA makes each fiscal year, and the majority of the payment occurs after all other obligations have been met. This year’s payment includes \$909 million in principal, \$271 million in interest, \$50.8 million in irrigation assistance payments and \$27.6 million in other payments. \$78.4 million was paid by applying Treasury credits for non-power-related fish mitigation efforts and other credits.

Of the \$909 million in principal, \$778 million was early retirement of higher-interest-rate debt to the U.S. Treasury. This was made possible by a series of regional cooperation debt and cash management transactions through which Energy Northwest issued BPA-supported bonds to refinance debt. These financial actions will save money for Pacific Northwest ratepayers over the long term.

“The collaboration between BPA, Energy Northwest and the region’s public power entities has proven to be a successful step in strengthening our financial health through debt management,” said Hawken. “We will continue to focus on further strengthening BPA’s financial health as we develop the next financial plan in the coming year.”

BPA establishes rates to maintain a high 95 percent probability of making this repayment over two consecutive years, to assure full and timely payment for the benefit of U.S. taxpayers. This equates to a 97.5 percent certainty of making annual scheduled payments in a single year of the rate period.

In addition to the U.S. Treasury payment, BPA paid operations and maintenance expenses for the U.S. Army Corps of Engineers, Bureau of Reclamation and U.S. Fish and Wildlife Service projects directly funded by BPA. This direct funding amounted to \$417 million in fiscal year 2017.

BPA is a self-financed power marketing administration that receives no annual appropriations from Congress. Instead, BPA primarily recovers its costs through revenues from the sale of electric power and transmission services.

About BPA

The Bonneville Power Administration, headquartered in Portland, Oregon, is a nonprofit federal power marketer that sells wholesale electricity from 31 federal dams and one nuclear plant to 142 electric utilities, serving millions of consumers and businesses in Washington, Oregon, Idaho, western Montana and parts of California, Nevada, Utah and Wyoming. BPA delivers power via more than 15,000 circuit miles of lines and 260 substations to 511 transmission customers. In all, BPA markets about a third of the electricity consumed in the Northwest and operates three-quarters of the region’s high-voltage transmission grid. BPA also funds one of the largest fish and wildlife programs in the world, and, with its partners, pursues cost-effective energy savings and operational solutions that help maintain affordable, reliable and carbon-free electric power for the Northwest. www.bpa.gov

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