

# Jan. 29 QBR FOLLOW-UP QUESTIONS

## **What is the status of FY 19 spill surcharge?**

BPA has started the process of calculating the spill surcharge amount for FY 2019, and plans to notify customers in March/April with the preliminary spill surcharge results.

## **What is current forecast for Transmission capital spending vs rate case? It wasn't clear if it is \$94 million less for the year end? If so, how does that affect the net revenue projections?**

Transmission's current end-of-year forecast for capital expenditures is \$97 million less than the rate case. BPA projected spending \$527 million on capital in FY 2019 and the first quarter forecast projects spending only \$430 million.

The \$94 million shown on the graph represents current spending year-to-date for the first quarter, not the end-of-year forecast.

Transmission's capital forecast does not have a material impact on net revenues projections in the current year.

## **Please provide a breakdown of where the identified \$45M of reductions from internal cost management efforts have come from. Joel mentioned EE and F&W. How much of the identified savings are from which?**

Power Services' total expense reductions from rate case are expected to be \$45 million. Of that, \$36 million are attributed to cost-management efforts. This includes \$20 million from Fish and Wildlife, \$9 million from Power non-generation operations, \$4 million from undistributed reduction, \$2 million from Energy efficiency and \$1 million from Agency Services G&A. Energy efficiency had reduced costs by \$10 million but higher expenses in FY 2018 carried over offsetting most of these cost reductions.

Additional details can be found in the [Quarterly Financial Package](#) on slide 5 (rows 7-18) with supporting narrative on slide 6.