

APRIL 30 QBR FOLLOW-UP QUESTIONS

On slide 36, what was the previous assumption of decommissioning costs?

This was the first site-specific decommissioning study for CGS. Previous estimates, both for the accounting and funding of the trust fund, were based off of a Nuclear Regulatory Commission calculation, which was a more generalized study performed in 1989. That information yielded an asset retirement obligation for CGS on BPA's balance sheet of \$166 million at the end of fiscal year 2018, which has been increased to \$765 million as of the second quarter of fiscal year 2019. The impact of this new study on BPA's funding assumptions and accounting were discussed in more detail in the Financial Workshop on Friday, May 3. Workshop materials are posted on the [QBR](#) page.

Designated obligations (line 19 of composite true-up table, slides 38-41 of the [quarterly financial package](#)) are now forecast at \$101 million (up from \$12 million at Q1 review). Can you provide some background on these increased costs?

Within row 19 of the composite cost pool table are the Non-Treaty Storage Agreement and Libby Coordination Agreement activity and charges. During Q2, BPA saw an increase in these charges due to low water volume. The customers saw a benefit of the Non-Treaty Storage and LCA water releases and they then pay their share/slice percent of that benefit. The non-slice customers do as well as part of the Composite Cost Pool.

Slide 14 of the 4/30/19 QBR presentation includes a graph that shows a comparison of BP-18 forecast monthly Henry Hub gas prices and actual/projected monthly Henry Hub gas prices (Oct-Mar actuals and Apr-Sep projected). A similar graph is shown for Mid-C HLH prices on slide 15. Since the relationship between Sumas gas prices and Mid-C market prices is more relevant, does BPA have a similar graph that shows BP-18 vs. actual/projected monthly Sumas gas prices? If not, does BPA have a similar graph that shows BP-18 vs. actual/projected Sumas basis differential?

BPA cannot share Sumas futures, as it is proprietary. We can only provide publicly available information.