

July 30 Finance Workshop Follow Up Responses

Financial Reserves:

1. Post the SOY FY19 reserves forecast to the Financial Reserves slide.

BPA - FY2019 RESERVES FORECAST											
(in \$ Thousands)	A	B	C	D	E	F	G	H	I	J	
	BP-18		FY 2019 EOY Forecast						DELTA		
	POWER	FY 2019	Days Cash	SOY/IP	Days Cash	Q2	Days Cash	Q3	Days Cash	(G - A)	(G - C)
PS RESERVES for RISK	61,561	12	48,088	9	288,052	58	185,843	38	124,282	137,755	(102,209)
PS RESERVES not for RISK	78,800		87,067		126,832		110,760		31,960	23,692	(16,072)
PS TOTAL RESERVES	140,361		135,155		414,884		296,603		156,242	161,448	(118,281)
TRANSMISSION											
TS RESERVES for RISK	368,539	220	539,470	319	206,520	122	358,011	214	(10,528)	(181,458)	151,492
TS RESERVES not for RISK	40,000		106,302		115,349		134,199		94,199	27,896	18,850
TS TOTAL RESERVES	408,539		645,772		321,868		492,210		83,671	(153,562)	170,342
AGENCY											
RESERVES for RISK	430,100	62	587,558	86	494,572	74	543,855	83	113,755	(43,703)	49,283
RESERVES not for RISK	118,800		193,370		242,181		244,958		126,158	51,589	2,778
AGENCY TOTAL RESERVES	548,900		780,927		736,753		788,813		239,913	7,886	52,060

Transmission Market Outlook:

2. Which revenue generating products are under-performing and which revenue generating products are over-performing?

Compared to the BP-18 Rate Case forecast, FY 2019 Fiscal Year to Date (October through June):

- Under-performing
 - Short Term Network Service: -\$9.3M (lower than normal hydro year)
 - Short Term Intertie Service: -\$2.0M (lower NW-CA price spreads than forecast)
 - Long Term Network Service: -\$6.0M (customer deferral of new service; customer non-renewal of existing service; transmission forecast for renewable generation that did not install into the BAA as projected)
 - Variable Energy Balancing Service: -\$3.4M (wind plants projected to install in the BAA did not materialize in FY 2019)
 - Operating Reserve: -\$1.4M (lower generation than forecast)
- Over-performing
 - Network Integration +\$3.7M (colder than normal Feb and Mar temps)
 - Energy & Generation Imbalance +\$1.9M (forecast \$0 for Rate Case)

3. What do the long-term firm vs short-term sales look like on the intertie?

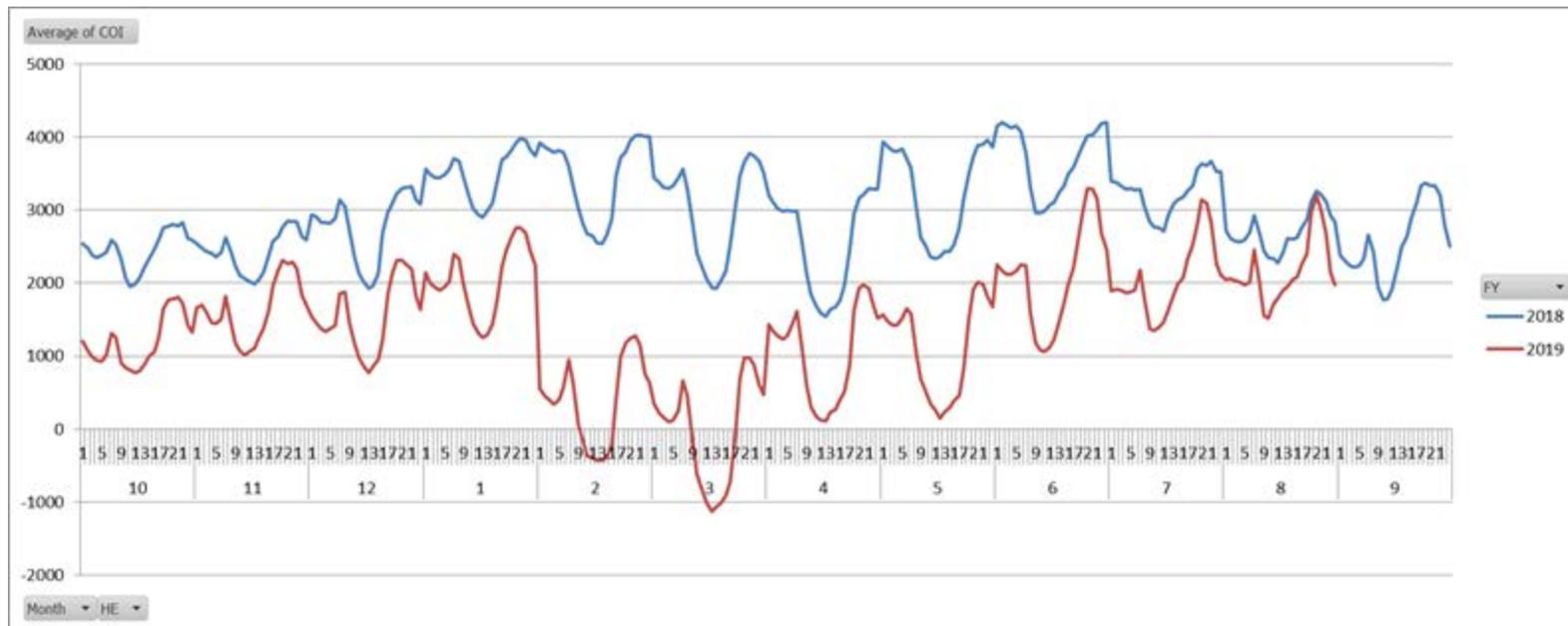
Transmission Revenues:

Fiscal Year	2019										
Performance Actual											
Category	Product Description	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Grand Total
SOUTHERN INTERTIE LONG TERM		6,305,850	56,752,650								
	IS LONG TERM FIRM	6,305,850	6,305,850	6,305,850	6,305,850	6,305,850	6,305,850	6,305,850	6,305,850	6,305,850	57,712,800
SOUTHERN INTERTIE SHORT TERM		113,573	64,865	188,792	102,632	683,194	697,275	261,400	146,906	148,895	2,407,532
	IS DAILY FIRM DAYS 1-5	22,800	5,760	12,672	192	239,472	316,080	4,224	288	288	601,776
	IS DAILY FIRM DAYS 6+			1,700							1,700
	IS DAILY NONFIRM DAYS 1-5					2,400	12,864		19,248	5,904	40,416
	IS WEEKLY FIRM DAYS 1-5			25,920		6,000	3,360				35,280
	IS WEEKLY FIRM DAYS 6+			7,344		1,700	7,820				16,864
	IS MONTHLY FIRM DAYS 1-5			1,200	6,000						7,200
	IS MONTHLY FIRM DAYS 6+			2,210	27,370	28,560					58,140
	IS HOURLY FIRM	38,202	12,515	20,162	23,613	201,754	91,117	24,867	3,298	1,080	416,608
	IS HOURLY NONFIRM	46,751	47,045	114,056	44,053	152,836	165,254	234,669	125,829	148,876	1,092,373
	IS HOURLY NONFIRM DISCOUNT	6,506	216	3,557	1,404	51,074	103,876	1,921	406	21	168,981
	IS NF INTERRUPTION CREDIT	-686	-671	-29		-602	-3,096	-4,281	-2,163	-7,274	-18,802
Grand Total		6,419,423	6,370,715	6,494,642	6,408,482	6,989,044	7,003,125	6,567,250	6,452,756	6,454,745	59,160,182

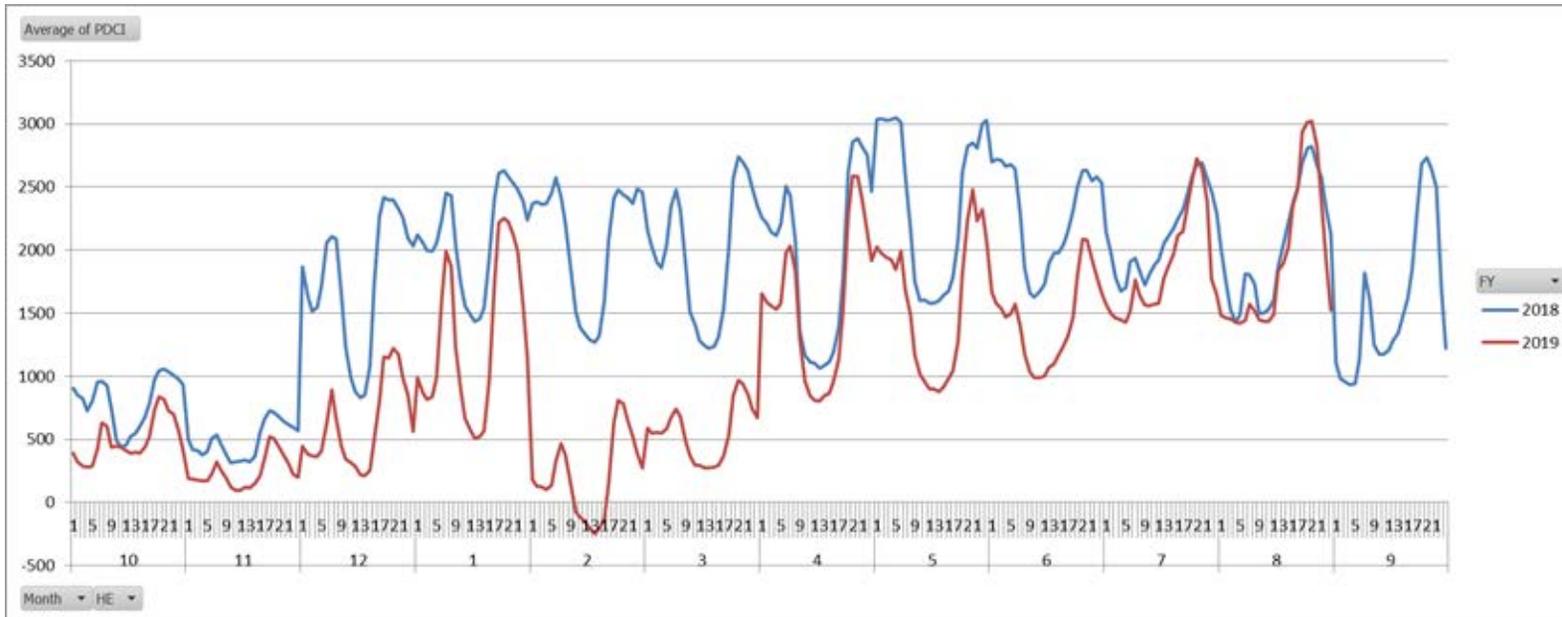
4. Are we experiencing additional usage from moving energy up from California due to the “Duck Curve” such that renewables such as solar are being offloaded north during non-peak hours?

Charts show net flows on the COI and PDCI in FY 2018 and FY 2019 through August. In FY 2019 we have observed an increase in S-N flows, with March going S-N on the net, which we attribute to the Enbridge pipeline explosion and impacts on the NW gas pipelines. Without further investigation, at this time it is difficult to isolate the effects solely from the “Duck Curve”.

Net Flows on COI



Net Flows on PDCI



Other:

5. What are the drivers for the SLICE true-up Q3 forecast?

Please see the detailed Slice Reporting Composite Cost Pool Review Forecast of Annual Slice True-Up Adjustment in the Quarterly Financial Package beginning on slide 30 [located here](#). Slide 33 specifically addresses variance impacts with PNCA, Other Power Purchases & REP program being the most significant driver.

6. What is the amount of NTSA in the power expense forecast?

This information is not available for public release on a forecast basis; however, the total cost will be shared at the end of the fiscal year.

7. Provide more spending detail on the Grid Mod projects and a description of how the project is beneficial at its completion.

Nita Zimmerman will follow up with PPC to get more information on what they are looking for in terms of more financial detail. Articles on the project benefit are posted to the external Grid Modernization web site at <https://www.bpa.gov/Projects/Initiatives/Grid-Modernization/Pages/Grid-Modernization.aspx>. We will look at creating a log that provides a summarized view.

8. Provide detail of the EIM Implementation projects and what would the Power/Transmission allocation of these project be? Would they also be 35%/65% as they are with Grid Mod projects?

The 65/35 split between Power and Transmission determined in the last rate case for Grid Modernization still stands with the EIM projects included. The cost allocation was based on where project costs would be incurred.