



Department of Energy

Bonneville Power Administration
P.O. Box 3621
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EXECUTIVE OFFICE

January 6, 2023

In reply refer to: F-2

Subject: Fiscal Year 2022 Power Reserves Distribution Clause Final Decision

The Bonneville Power Administration (BPA) has concluded its decision process on the application of the fiscal year 2022 Power Reserves Distribution Clause (RDC). After careful consideration of the feedback received during the comment period, I am adopting the staff recommendation, released on Nov. 16, 2022.

The Power RDC Amount of \$500 million will be applied as follows (1) a \$350 million dividend distribution to reduce FY 2023 power rates; (2) \$100 million toward debt reduction or revenue financing, with any amount not used to reduce debt or revenue finance left as financial reserves to support Bonneville's liquidity and/or increase the probability of a 2023 Power RDC Amount; and (3) \$50 million toward addressing, on an accelerated, one-time basis, certain non-recurring maintenance needs of existing fish and wildlife mitigation assets that (i) Bonneville anticipates would otherwise need to be addressed during future rate periods and (ii) will result in avoidance of those costs in future rate periods. As used here, the term "mitigation assets" are those that Bonneville determines (a) have resulted in tangible and measurable benefits or improvements for fish and wildlife, and (b) are directly related to mitigating for the effects of the construction or ongoing operation of the FCRPS projects.

Due to the volume of comments received, I have included additional background information on the RDC and the rationale for my decision in Attachment A: BPA's Response to Comments. While not required by the rate schedule, BPA is providing this response in the vein of transparency and completeness.

Thank you to everyone who took time to provide feedback on staff's proposal.

A handwritten signature in blue ink, reading "John L. Hairston".

John L. Hairston
Administrator and Chief Executive Officer