



## Overview of Preliminary FY 2019 Spill Surcharge

BPA is proposing that there will be no Spill Surcharge for FY 2019. The calculated cost of additional spill will be offset through Fish and Wildlife program reductions in FY 2019 compared to those assumed for setting BP-18 rates. Documentation and additional information on the preliminary Spill Surcharge calculations are available to customers and interested parties for review and comment. Please see the [Spill Surcharge – FY 2019 webpage](#) for more information.

The Spill Surcharge (Appendix C of BPA’s 2018 Power Rate Schedules and GRSPs) is a formula rate adjustment that approximates the additional cost that customers would have been charged if BPA had known the planned spill operations when setting final BP-18 rates.

- The Spill Surcharge charges customers for the forecast cost of any increased planned spill relative to the amount of Federal hydro generation forecast to be available when Bonneville set its rates.

The Spill Surcharge is –

- Calculated independently for each year of the FY 2018-2019 rate period based on planned spill operations for each year.
- Applicable to non-Slice power sales.

Preliminary FY 2019 Spill Surcharge Formula		
Spill Cost	\$34.9 million	The average lost generation in FY 2019 due to more planned spill, over the modeled 80 historical water year record, multiplied by the rate case forecast Mid-C electricity price.
Cost Reduction (CostR)	<u>(\$26.4 million)</u>	Program spending reductions relative to those assumed for setting BP-18 rates. Represents a forecast reduction of \$34 million of F&W costs and the corresponding reduction in the NW Power Act section 4(h)(10)(C) credit (22.3% credit on F&W costs).
	\$8.5 million	
Non-Slice	<u>X .7726</u>	Adjusts formula to reflect costs associated with non-Slice PF power sales only.
	\$6.6 million	
Secondary Revenue (SecR)	<u>(\$6.8 million)</u>	Accounts primarily for the impact that more spill would have on the market clearing price for the remaining secondary sales.
<b>Preliminary FY 2019 Spill Surcharge*</b>	\$0	

\* For comparison, the Spill Surcharge for FY 2018 was \$10.2 million.

Schedule	
April 18 @ 1 p.m. in Rates Hearing Room (See <a href="#">BPA Event Calendar</a> for more information.)	Workshop to review the preliminary FY 2019 Spill Surcharge
April 18 – May 2	Comment Period (See <a href="#">BPA Public Comments</a> page)
May 16	BPA issues final FY 2019 Spill Surcharge