



## Department of Energy

Bonneville Power Administration  
P.O. Box 3621  
Portland, Oregon 97208-3621

EXECUTIVE OFFICE

December 15, 2021

In reply refer to: Finance

Subject: BPA applies Power Reserves Distribution Clause amount to rate relief

I am pleased to announce that BPA will apply the fiscal year 2021 Power Reserves Distribution Clause amount of \$13.7 million to a power rate reduction. The Power RDC will be applied to customers' bills from December 2021 through September 2022. This decision concludes our public process for the FY 2021 RDC.

An important element of our Financial Reserves Policy, the RDC triggers when certain conditions are met. The policy gives the BPA administrator the discretion to apply the RDC amount to rate reduction, incremental capital investment, debt reduction or another high-value purpose.

I based this decision on the economic challenges our customers and their end-users continue to face, in combination with Power Services' strong financial performance and the expectation that its debt-to-asset ratio will continue to decline in FY 2022.

I appreciate the feedback from those who commented on BPA's preliminary decision, shared Nov. 23. All comments supported the draft decision to apply the Power RDC to a rate reduction.

The RDC amount will be returned as a rate credit on Power customer bills from December 2021 through September 2022. The FY 22 non-Slice rate credit will be \$0.38 per megawatt-hour for the last 10 months of the fiscal year (equivalent to an annual reduction of \$0.31 per megawatt-hour). This will reduce the average non-Slice rate by 0.4% compared to the BP-22 Final Proposal – which, as a reminder, was lower than BP-20 rates. As always, rate impacts to individual customers will vary based on the quantity and type of products purchased. Please see the rate calculations and bill credit estimates by customer on the [Rate Adjustments](#) website.

Affordable power is a cornerstone of our region's economy. I hope this decision brings the region some respite during this challenging time.

A handwritten signature in black ink, reading "John L. Hairston". The signature is fluid and cursive, with the first name "John" being particularly prominent.

John L. Hairston  
Administrator and CEO