

# 2019 Financial Reserves Review Process

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## *July 16, 2019, Supplemental Responses to Questions & Responses from March 11, 2019, Reserves Workshop*

*The responses provided below provide supplemental information relating to the questions received from customers from the March 11, 2019, workshop.*

- 85. Supplemental Responses to Q.10 and Q.72 from Avangrid Renewables, LLC, PacifiCorp, Idaho Power Company and M-S-R Public Power Agency - Please provide more information explaining who developed the IPAC module as opposed to who developed BPA's internal attribution process and/or application(s).**

**Was BPA's manual attribution process done in Excel format? If so, please describe the development of that process, who was involved, how long the process took to develop, who approved the process, etc. Please provide any documentation or communications concerning the same.**

### **BPA Response:**

BPA has found additional documentation regarding the BU Cash Split process and its development. The additional documentation is available at:

<http://www.bpa.gov/goto/ReservesReview>.

The documents include the following:

1. Draft Interest Earned Credit Memorandum, dated December 2003. Describes the origins of the Interest Earned Credit methodology and the original purpose of the IEC memorandum (IEC Memo) (to allocate actual interest between business lines).
2. Attachment A to the IEC Memo. Provides an example of how to implement the IEC Memo.
3. Draft internal decision document describing the expansion of the IEC Memo to calculating end-of-year financial reserves by business line. This document was developed in March 2004, and was a staff developed draft that was likely a work in progress. The final has not been found. Staff believes a version of this document was presented to management on or around April 2004.
4. Updated draft version of the IEC Memo, dated December 2004. Describes the expanded use of the IEC to include calculating financial reserves by business line.

5. Draft Staff developed procedures describing the steps to operate the BU Cash Split process. May 2006.
6. Draft Staff developed document describing the BU Cash Split process. May 2006.
7. Staff developed procedures describing the BU Cash Split process, dated April 2009.
8. Staff developed procedures describing the BU Cash Split process, dated February 11, 2014.
9. Staff developed procedures describing the BU Cash Split process, dated October 1, 2015.