



Final FY 2018 Spill Surcharge

The final FY 2018 Spill Surcharge amount is \$10.2 million (see chart below), which translates into a final FY 2018 Spill Surcharge rate of 0.71 mills per kWh applied to non-Slice power sales for the period June–September, 2018.

The final FY 2018 Spill Surcharge is the same as that provided to interested parties for review and comment in May of this year. Please see the [Spill Surcharge – FY 2018 webpage](#) for additional information:

- The Administrator’s decision document, which addresses the comments received from customers and interested parties.
 - Attachment 2 shows additions to the 2018 Power Rates Schedules and General Rate Schedule Provisions to reflect the final FY 2018 Spill Surcharge rates.
- Documentation

Background

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

FY 2018 Spill Surcharge Amount – Formula		
Spill Cost	\$38.6 million	The average lost generation 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>(\$15.5 million)</u>	Program spending reductions relative to those assumed for setting BP-18 rates. Represents a forecast reduction of \$20 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).
	\$23.1 million	
Non-Slice	<u>× .7726</u>	Adjusts formula to reflect costs associated with non-Slice PF power sales only.
	\$17.8 million	
Secondary Reduction (SecR)	<u>(\$7.6 million)</u>	Accounts primarily for the impact that more spill would have on the market-clearing price for the remaining secondary sales.
FY 2018 Spill Surcharge Amount	\$10.2 million	