

2014 BPA Final Rate Proposal

BP-14-FS-BPA-08-E1

Errata to Transmission Revenue Requirement Study

1. Page 31, line 25: Delete all after the first period as follows:

Study, WP-10-FS-BPA-02, section 4.3. ~~In addition, we reshaped the use of reserves described in~~

2. Page 32, lines 1-2: Delete entirely

3. Pages 43-46: Delete Tables 8, 9, 10, and 11. Replace with the attached tables

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Table 8: Revised Revenue Test Income Statement

(\$000s)

		A	B
		FY 2014	FY 2015
1	REVENUES FROM PROPOSED RATES	1,009,526	1,031,878
2	OPERATING EXPENSES		
3	TRANSMISSION OPERATIONS	140,729	144,346
4	TRANSMISSION MAINTENANCE	154,234	157,893
5	TRANSMISSION ENGINEERING	41,638	41,769
6	TRANSMISSION ACQUISITION & ANCILLARY SERVICES	131,287	134,244
7	BPA INTERNAL SUPPORT	78,428	80,902
8	OTHER INCOME, EXPENSES & ADJUSTMENTS	(20,000)	(20,000)
9	DEPRECIATION & AMORTIZATION	192,141	202,465
10	TOTAL OPERATING EXPENSES	718,457	741,619
11	INTEREST EXPENSE		
12	INTEREST EXPENSE		
13	FEDERAL APPROPRIATIONS	14,540	14,257
14	CAPITALIZATION ADJUSTMENT	(18,968)	(18,968)
15	ON LONG-TERM DEBT	109,582	135,310
16	AMORTIZATION OF CAPITALIZED BOND PREMIUMS	561	561
17	DEBT SERVICE REASSIGNMENT INTEREST	44,124	36,995
18	NON-FEDERAL INTEREST	40,207	44,568
19	AFUDC	(36,477)	(39,234)
20	INTEREST INCOME	(9,646)	(13,676)
21	NET INTEREST EXPENSE	143,924	159,813
22	TOTAL EXPENSES	862,381	901,431
23	NET REVENUES	147,145	130,447

Table 9: Revised Revenue Test Statement of Cash Flows

(\$000s)

		A	B
		FY 2014	FY 2015
1	CASH FROM CURRENT OPERATIONS		
2	NET REVENUES	147,145	130,447
3	EXPENSES NOT REQUIRING CASH:		
4	DEPRECIATION & AMORTIZATION	192,141	202,465
5	TRANSMISSION CREDIT PROJECTS NET INTEREST	2,601	1,977
6	AMORTIZATION OF CAPITALIZED BOND PREMIUMS	561	561
7	CAPITALIZATION ADJUSTMENT	(18,968)	(18,968)
8	CASH FLOW ADJUSTMENT (RESERVE)/APPLICATION	(19,000)	19,000
9	DRAWDOWN OF CASH RESERVES FOR CAPITAL FUNDING	15,000	15,000
10	ACCRUAL REVENUES (AC INTERTIE/FIBER/LGIA)	(48,292)	(48,397)
11	CASH PROVIDED BY CURRENT OPERATIONS	271,188	302,084
12	CASH USED FOR CAPITAL INVESTMENTS		
13	INVESTMENT IN:		
14	UTILITY PLANT	(662,693)	(639,534)
15	CASH USED FOR CAPITAL INVESTMENTS	(662,693)	(639,534)
16	CASH FROM TREASURY BORROWING AND APPROPRIATIONS		
17	INCREASE IN LONG-TERM DEBT	647,693	624,534
18	DEBT SERVICE REASSIGNMENT PRINCIPAL	(175,093)	(185,173)
19	REPAYMENT OF CAPITAL LEASES	(1,217)	(1,298)
20	REPAYMENT OF LONG-TERM DEBT	(73,050)	0
21	REPAYMENT OF CAPITAL APPROPRIATIONS	(3,901)	(98,119)
22	CASH FROM TREASURY BORROWING AND APPROPRIATIONS	394,432	339,944
23	ANNUAL INCREASE (DECREASE) IN CASH	2,927	2,494

Table 10: Transmission Revenues from Proposed Rates – Results Through the Repayment Period

(\$000s)

	A	B	C	D	E	F	G	H	I	J	K
	REVENUES (STATEMENT A)	OPERATION & MAINTENANCE (STATEMENT E)	DEBT SERVICE OFFSETS (REV REQ STUDY DOC,Chapter?)	DEPRECIATION	NET INTEREST (STATEMENT D)	NET REVENUES (F=A-B-C-D-E)	NONCASH EXPENSES 1/ (COLUMN D)	FUNDS FROM OPERATION (H=F+G)	AMORTIZATION (REV REQ STUDY DOC,Chapter 11)	NON-FEDERAL PRINCIPAL (REV REQ STUDY DOC,Chapter 7)	NET POSITION (K=H-J)
YEAR COMBINED CUMULATIVE											
1 1977	3,298,951	963,839	348,748	807,047	1,220,170	(40,853)	807,047	766,194	628,460		137,734
2 1978-2012	16,720,241 0	7,310,113 #	0 #	3,886,726 #	4,779,925 0	743,477 0	3,637,224 #	5,698,516 0	5,100,889 0	15,645 #	581,982
3											
4 TRANSMISSION											
5 2011	908,008	499,966		192,396	143,858	71,788	110,872	182,660	247,365	154	(64,859)
6 2012	965,141	556,839		189,811	129,781	88,710	119,064	207,774	200,110	41,141	(33,477)
7											
8 COST EVALUATION											
9 PERIOD											
10 2013	963,965	561,774		202,680	127,474	72,037	125,988	198,025	56,374	166,810	(25,159)
11 RATE APPROVAL											
12 PERIOD											
13 2014	1,009,526	526,316		192,141	143,924	147,145	128,043	256,188	76,951	176,310	2,927
14 2015	1,031,878	539,154		202,465	159,813	130,446	137,638	287,084	98,119	186,471	2,494
15											
16 REPAYMENT											
17 PERIOD											
18 2016	1,031,878	539,154	(6,158)	202,465	176,946	119,471	137,638	257,109	69,002	186,755	1,352
19 2017	1,031,878	539,154	(6,372)	202,465	178,218	118,413	137,638	256,051	53,171	201,530	1,350
20 2018	1,031,878	539,154	(6,564)	202,465	179,778	117,045	137,638	254,683	60,149	193,183	1,351
21 2019	1,031,878	539,154	(6,726)	202,465	183,580	113,405	137,638	251,043	243,312	6,380	1,351
22 2020	1,031,878	539,154	(6,950)	202,465	186,049	111,160	137,638	248,798	226,217	21,230	1,351
23											
24											
25 2021	1,031,878	539,154	(7,138)	202,465	188,182	109,215	137,638	246,853	223,483	22,019	1,351
26 2022	1,031,878	539,154	(7,310)	202,465	189,468	108,101	137,638	245,739	222,204	22,184	1,351
27 2023	1,031,878	539,154	(7,491)	202,465	192,439	105,311	137,638	242,949	218,412	23,186	1,351
28 2024	1,031,878	539,154	(7,649)	202,465	192,861	105,047	137,638	242,685	223,155	18,179	1,351
29 2025	1,031,878	539,154	(7,808)	202,465	191,661	106,406	137,638	244,044	242,113	580	1,351
30											
31 2026	1,031,878	539,154	(7,938)	202,465	194,241	103,956	137,638	241,594	239,622	621	1,351
32 2027	1,031,878	539,154	(8,087)	202,465	195,998	102,348	137,638	239,986	237,970	665	1,351
33 2028	1,031,878	539,154	(8,239)	202,465	197,929	100,569	137,638	238,207	236,155	701	1,351
34 2029	1,031,878	539,154	(8,377)	202,465	197,094	101,542	137,638	237,091	239,180	738	1,351
35 2030	1,031,878	539,154	(8,521)	202,465	198,814	99,966	137,638	237,604	235,466	787	1,351
36											
37 2031	1,031,878	539,154	(8,664)	202,465	202,082	96,841	137,638	234,479	227,779	5,349	1,351
38 2032	1,031,878	539,154	(8,822)	202,465	200,311	98,770	137,638	236,408	228,146	6,911	1,351
39 2033	1,031,878	539,154	(8,999)	202,465	202,520	96,738	137,638	234,376	136,362	96,663	1,351
40 2034	1,031,878	539,154	(9,147)	202,465	204,646	94,760	137,638	232,398	194,109	36,938	1,351
41 2035	1,031,878	539,154	(9,268)	202,465	203,502	96,025	137,638	233,663	225,197	7,115	1,351
42											
43 2036	1,031,878	539,154	(9,410)	202,465	208,808	90,861	137,638	228,499	220,200	6,948	1,351
44 2037	1,031,878	539,154	(9,570)	202,465	213,107	86,722	137,638	224,360	66,057	156,952	1,351
45 2038	1,031,878	539,154	(9,703)	202,465	216,545	83,417	137,638	221,055	87,663	132,041	1,351
46 2039	1,031,878	539,154	(9,798)	202,465	218,866	81,191	137,638	218,829	185,342	32,136	1,351
47 2040	1,031,878	539,154	(9,926)	202,465	224,209	75,976	137,638	213,614	175,525	36,738	1,351
48											
49 2041	1,031,878	539,154	(10,072)	202,465	224,444	75,887	137,638	213,525	102,766	109,408	1,351
50 2042	1,031,878	539,154	(10,190)	202,465	231,958	68,491	137,638	206,129	43,646	161,132	1,351
51 2043	1,031,878	539,154	(10,335)	202,465	238,884	61,710	137,638	199,348	124,147	73,847	1,354
52 2044	1,031,878	539,154	(10,447)	202,465	247,369	53,337	137,638	190,975	174,491	15,124	1,360
53 2045	1,031,878	539,154	(10,540)	202,465	258,644	42,155	137,638	179,793	178,442	0	1,351
54											
55 2046	1,031,878	539,154	(10,654)	202,465	266,209	34,704	137,638	172,342	170,991	0	1,351
56 2047	1,031,878	539,154	(10,779)	202,465	274,341	26,697	137,638	164,335	162,984	0	1,351
57 2048	1,031,878	539,154	(10,875)	202,465	283,119	18,015	137,638	155,653	154,302	0	1,351
58 2049	1,031,878	539,154	(10,961)	202,465	292,493	8,727	137,638	146,365	145,014	0	1,351
59 2050	1,031,878	539,154	(11,033)	202,465	302,396	(1,104)	137,638	136,534	135,183	0	1,351
60											
61 TRANSMISSION											
62 TOTALS	57,714,489	29,403,706	(310,521)	11,952,494	13,042,486	4,165,478	9,076,159	14,559,452	9,783,035	2,162,571	511,204

1/CONSISTS OF DEPRECIATION PLUS ANY ACCOUNTING WRITE-OFFS INCLUDED IN EXPENSES.
IN THE REPAYMENT PERIOD NON-FEDERAL DEBT SERVICE (PRINCIPAL AND INTEREST) IS INCLUDED IN NET INTEREST EXPENSE.

Table 11: Amortization of Transmission Investments Over Repayment Period

(\$000s)

	A	B	C	D	E	F	G	H
	Investments Placed in Service							
	Fiscal Year	Original & New Obligations	Replacements	Cumulative Amount In Service	Due Amortization	Discretionary Amortization	Unamortized Investment	Term Investment Schedule
1	2012	445,956	-	445,956	-	56,374	391,052	6,458,742
2	2013	647,810	-	1,093,766	73,050	3,901	961,911	7,106,552
3	2014	624,650	-	1,718,416	-	98,119	1,488,442	7,731,202
4	2015	-	189,512	1,907,928	19,500	49,502	1,608,952	7,920,714
5	2016	-	196,922	2,104,850	36,400	16,771	1,752,703	8,117,636
6	2017	-	203,574	2,308,424	-	60,149	1,896,128	8,321,210
7	2018	-	208,629	2,517,053	195,790	47,522	1,861,445	8,498,459
8	2019	-	215,471	2,732,524	166,580	59,637	1,850,699	8,690,350
9	2020	-	221,414	2,953,938	105,160	118,323	1,848,630	8,887,604
10	2021	-	226,804	3,180,742	105,000	117,204	1,853,230	9,114,408
11	2022	-	232,252	3,412,994	46,000	172,412	1,867,069	9,346,660
12	2023	-	236,640	3,649,634	45,000	178,155	1,880,554	9,583,300
13	2024	-	241,160	3,890,794	102,300	139,813	1,879,601	9,824,460
14	2025	-	244,724	4,135,518	45,000	194,622	1,884,703	10,069,184
15	2026	-	248,878	4,384,396	30,000	207,970	1,895,611	10,318,062
16	2027	-	253,053	4,637,449	6,050	230,105	1,912,509	10,565,065
17	2028	-	256,959	4,894,408	55,380	181,711	1,932,378	10,816,644
18	2029	-	261,392	5,155,800	47,490	187,976	1,958,304	11,030,546
19	2030	-	265,934	5,421,734	-	227,779	1,996,460	11,296,480
20	2031	-	270,853	5,692,587	98,900	129,246	2,039,167	11,567,333
21	2032	-	276,407	5,968,994	40,000	96,362	2,179,212	11,843,740
22	2033	-	281,566	6,250,560	40,000	154,109	2,266,669	12,125,306
23	2034	-	285,629	6,536,189	165,000	60,197	2,327,101	12,410,935
24	2035	-	290,425	6,826,614	50,000	170,200	2,397,325	12,701,360
25	2036	-	295,659	7,122,273	35,000	31,057	2,626,927	12,997,019
26	2037	-	300,168	7,422,441	-	87,663	2,839,432	13,297,187
27	2038	-	303,420	7,725,861	89,000	96,342	2,957,510	13,600,607
28	2039	-	308,011	8,033,872	110,000	65,525	3,089,997	13,908,618
29	2040	-	313,067	8,346,939	-	102,766	3,300,298	14,221,685
30	2041	-	317,258	8,664,197	-	43,646	3,573,910	14,538,943
31	2042	-	322,295	8,986,492	124,147	-	3,772,058	14,494,822
32	2043	-	326,338	9,312,830	174,491	-	3,923,905	14,202,310
33	2044	-	329,605	9,642,435	-	178,442	4,075,068	13,936,805
34	2045	-	333,499	9,975,934	-	170,991	4,237,576	14,270,304
35	2046	-	338,102	10,314,036	-	162,984	4,412,694	14,608,406
36	2047	-	341,663	10,655,699	-	154,302	4,600,055	14,950,069
37	2048	-	344,541	11,000,240	-	145,014	4,799,581	15,294,610
38	2049	-	347,044	11,347,284	-	135,183	5,011,442	15,641,654
39	2050	-	347,044	11,347,284	-	135,183	5,011,442	15,641,654
		\$1,718,416	\$9,975,912		\$2,005,238	\$4,467,258		